CONSIDERATIONS

RELATIVE TO

THE INDIA QUESTION.

CONSIDERATIONS

ARISING OUT OF

THE LATE PROCEEDINGS IN PARLIAMENT

RELATIVE TO THE

INDIA QUESTION.

UNIV. OF
CALIFORNIA

LONDON:
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HENRY MORSE STEPHENS

TO MINU
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LONDON:
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TO THE

RIGHT HONOURABLE

CHARLES ARBUTHNOT, M.P.

CHANCELLOR OF THE DUCHY OF LANCASTER,

&c. &c. &c.

TO WHOM THE PUBLIC ARE INDEBTED

FOR THE

CLEAR AND ABLE SUMMARY

CONTAINED IN

THE REPORT DRAWN UP BY HIM OF THE LATE PARLIAMENTARY ENQUIRY INTO THE TRADE BETWEEN GREAT BRITAIN, THE EAST-INDIES, AND CHINA;

THE FOLLOWING PAGES

ARE

INSCRIBED.

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UNIV. OF CALIFORNIA

Preliminary observations.

It is the peculiar province of Parliament to legislate upon all matters of national interest. When the details of any question are so complicated and extensive as to render a preliminary enquiry expedient, Select Committees have been appointed for that special purpose. Such was the course adopted in the last session, with respect to what has been generally denominated the India Question.

Select Committees of both Houses were chosen on the 9th February last, "to enquire "into the present State of the Affairs of the East-"India Company, and into the Trade between "Great Britain, the East-Indies, and China."

The dissolution of Parliament consequent upon the demise of his late Majesty terminated the proceedings of the Committees. The result of their labours has been preserved in a series of printed evidence and accounts, and in a Report from the Select Committee of each House,

Preliminary observations.

in which the leading points that respectively engaged their attention are noticed.

As it was stated in the House of Commons on the appointment of the Committee, that "the "result of the enquiry was to guide the future "proceedings," it has been expected, and not perhaps without reason, that a Report upon the subject would have been made by the Court of Directors to their Constituents.

We have, however, been given to understand, that the Directors, feeling that the East-India Company were no parties to the enquiry, determined to meet without reserve every call for information, whether oral or documentary, which the promoters of the investigation might deem necessary to their purpose, but resolved to await the usual Parliamentary notice, before they came forward with a statement of the grounds for a continuance of such of their present exclusive privileges, as are indispensable to an efficient discharge of the important trusts now confided to them.

We think the determination of the Directors was both proper and judicious.

In the absence, therefore, of any official review, we have been induced to submit the following considerations upon the general question. It is on all sides admitted to be one of deep national importance; and it involves interests so

vast, so complicated, and so novel in all their bearings, that we enter upon the subject with an earnest desire to arrive at sound and just conclusions, unbiassed by any preconceived notions of our own, and anxious to do justice to the motives of the several parties, whose interests have led them to step forward in opposition to the present system. Preliminary observations.

INDIAN subjects possess little attraction, at any time, to the public at large, and they have not been more fortunate in exciting the interest of Parliament.

It was scarcely to be expected that Members would devote their attention, at a period when they hourly anticipated being sent back to their constituents, to the mass of matter contained in the evidence and documents already noticed; still less is it to be supposed, that the Members of the new Parliament will be inclined to enter upon a subject which, without some previous knowledge of its outline and object, they could neither hope to master or comprehend.

We propose, therefore, to notice the circumstances under which the late parliamentary enquiry was instituted—the parties to that enquiry—the mode in which it was conducted—the evidence brought forward—the results established by such evidence—and the situation in

which the East-India Company stand with reference to the general question.

Charge against the Company of interfering at Elections.

We must make a momentary digression for the purpose of noticing some statements which have been circulated, with no common share of industry, that the East-India Company exerted, in the course of the late General Election, all their influence to defeat the return of members who were known to entertain sentiments adverse to the Company's privileges, and to promote the choice of others who were supposed to be favourable to their continuance.

It might have sufficed to have permitted the absurdity of such a charge to be its refutation, had not the Committee of the Liverpool Association, in their resolutions in support of Mr. Woolryche Whitmore's election at Bridgnorth, urged such alleged interference on the part of the East-India Company, as a reason for the more strenuous exertion of the friends of free-trade in procuring the return of that gentleman; and when his election was secured, there appeared a paragraph in the most influential and widely-circulated daily journal, congràtulating the country on the defeat of such an attempt on the part of the Company. The Editor, subsequently aware how utterly without foundation the assertion had been put forth, honourably and promptly contradicted it. The

impression, however, had been made; and we have lived long enough to know the difficulty which attends the attempt to disabuse the public mind of an opinion, however erroneously formed, when such opinion is in accordance with sentiments cherished and promulgated under an ignorance of facts, and a belief that the general weal would be promoted by the annihilation of rights and privileges, no matter at what cost or by what means the effort be made and carried forward.

The East-India Company have no occasion to resort to any such means for the purpose of defending their rights and privileges. Whatever may be the determination of the Legislature as to the future intercourse with India, or the trade with China, or the system under which the affairs of the British Empire in that country shall be administered, the Company have rights, property, and possessions, which are indisputable and interminable.

Origin of enquiry.

We proceed to notice the circumstances under which the late Parliamentary investigation was instituted.

At the close of the session of 1829, the expediency of enquiry into the Indian and China Trade was strongly pressed upon the attention of the Government by those who sought for a removal of the remaining restrictions, which they

represented to exist upon the trade and intercourse with India, and by the advocates of a free trade with China.

The motion for the appointment of a Committee at that time was withdrawn, upon an understanding that His Majesty's Ministers would themselves propose such a measure in the following session.

Appointment of Committee.

In redemption of such pledge a Select Committee was moved for and chosen in each House on the 9th February 1830. On that occasion Mr. Peel acknowledged the vast importance of the subject. He disclaimed the idea of a Committee being proposed "for the "purpose of ratifying any engagement existing "between the Government and the Company," and declared "no such thing is in existence;" and, as has been already noticed, he stated that "in any future proceedings we must be guided "by the result of the enquiry."

Objections to Directors answered.

Notwithstanding this frank declaration of the Right Hon. Gentleman, it was attempted to be shewn at the outset, that partiality had been manifested in the selection of the Committee, "and objections were taken especially "to the names of *three* Directors of the "Company being included, because they had too "great an interest in the question to be able to "go into the Committee with impartiality."

If such an objection was worth any thing, and if a strictly disinterested Committee was to have been chosen,—a Committee composed of members having no one predilection, either in favour of, or against the Company, but what might be produced by the evidence brought forward in the course of the enquiry,—then an objection should have been taken, and we think with much greater reason, to the choice of other gentlemen, who had, on every opportunity, declared most unequivocal and decided hostility to the Company; to those who, in truth, held their seats by the tenure of an uncompromising support of the opinions of their constituents, which were known to be directly opposed even to a modified continuance of the Company's privileges; and to those who were members of houses of India agency, and of mercantile firms, whose interests would be promoted, in exact proportion as the rights and privileges of the Company were either circumscribed or totally abolished. But whilst such parties were to have their representatives in the persons of Right Honourable and Honourable Gentlemen of the first talent and character in the political and commercial world, with what propriety, with what fairness, could it be denied to the East-India Company to have, out of thirty-five members of the Committee, *three*

Directors, to watch and take cognizance of proceedings, which might affect a capital of *twenty-one millions sterling*, embarked in the acquisition and maintenance of possessions and commercial privileges, which in the hands of the Company have been made at all times subservient to the interests and welfare of the State.

Of the thirty-five members, *two* were members of the Government; *four* were members of the Board of Commissioners for the Affairs of India; *one*, the Secretary of that Board; *thirteen* represented places, from whence petitions had been presented against the Company, or who had individually expressed themselves opposed to the continuance of their privileges; *twelve* may be viewed as having in no way committed themselves in reference to the general question, but certainly had given no reason to believe that they were supporters of the Company; and *three* were Directors.

Such was the constitution of the Committee chosen by the House of Commons for the purpose of prosecuting the important investigation.

It would be difficult for the most fastidious to raise an objection to such a Committee, on the score of its members having a too favourable leaning towards the East-India Company, who were, in truth, as perfect strangers to the mea-

sure as the writer of these pages. The official accounts presented to Parliament by the King's command, through the President of the India Board, to facilitate the enquiry, were framed, not by the officers of the Company, but by those of the Board. It was upon these accounts that the officers of the Company were examined; and they stated in the course of their evidence, that they then saw them for the first time, and that it was impossible for them to bear testimony to the soundness of deductions drawn from documents, of the accuracy of which they were previously entirely ignorant.

Parties to the enquiry.

The parties to the late enquiry are:—The Petitioners for a free and unrestricted resort to, and residence in India, and the withdrawal of the Company from the trade; and the Petitioners for a free intercourse with India, and the total abolition of the Company's monopoly of the China trade.

We shall take the petition from the Merchants of London and that from the Merchants of Liverpool, as the two prominent bodies who may be supposed to speak the general sense of the respective interests advocating a change of the existing system. The Merchants of London in their petition, desire, "that in any renewal of "the charter to the East-India Company, due "provision shall be made to allow such free in- "tercourse of British subjects with India, and

"to give them such right of settling therein, as "shall (consistently with the security of the "British Government and the welfare of the "native population) be best calculated to pro-"mote the full development of the internal re-"sources of that country, and by the application "of British skill and capital, improve its various "products, especially those of sugar, cotton, "silk, and tobacco, these being the principal "means by which, in the opinion of the Peti-"tioners, a further extension of the valuable "trade with India, now obstructed by the diffi-"culty of obtaining returns, may be facilitated." The Petitioners further state it to be "most im-"portant to the mercantile prosperity of India, "that the government of that country should be "entirely restricted from all commercial deal-"ings, save and except, in reference to the "export trade from India to Europe, it be ab-"solutely necessary to bring produce in open "market for the purpose of remittance, in aid "of the territorial demands on the London "Treasury, when no other means of supply can "be obtained." The Petitioners afterwards go on to state, that they "refrain at this time from "making any declaration on the important "question of the monopoly in the supply of tea "to this country, now vested in the East-India "Company, because, in their opinion, that sub-"ject is interwoven with various other consi-

" derations besides those purely commercial, " which render a full investigation indispensably " necessary for establishing a fair and just deci- " sion, as to the course it may be wise to pursue " in furtherance of the common interests of the " country."

The Petitioners from Liverpool state their " object at present is to draw the attention of " the House more particularly to the trade be- " tween this country and the empire of China, " of greater importance than all the rest of the " Company's present monopoly. The Peti- " tioners submit, that there is no reason why the " trade of this country to the empire of China, " so far as respects the acts of our Legislature, " should not be as free to His Majesty's subjects " in general as the trade to the empire of " Brazil, or any other country; still less that " they should be excluded from carrying our " manufactures to China, when foreigners in " their own ships enter our ports, receive British " goods, and traffic with them in that empire; " or that our merchant-ships should be debarred " from all carrying trade between foreign coun- " tries and China, and our ships obliged to de- " cline charters, which the vessels of the United " States accept with advantage."

Proceedings of the Committee of the Lords.

Our attention was first directed to the Report from the Committee of the Lords. We were struck both with the variety and ex-

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tent of the subjects to which their Lordships' enquiry had been (we presume advisedly) directed, and also with the brief and bald summary which the Report contains of the important points brought under the consideration of the Committee.

Extent of enquiry.

The enquiry comprised the finances of India, embracing the joint operations of territorial and commercial means;—the inadequacy of the revenues, and the diminution of the civil and military charges;—the constitution of the local governments, with a view to their efficient control over expenditure;—the internal Revenue arrangements, and the advantages of the different kinds of settlements, and the expediency of direct or indirect taxation;—the comparative advantage of the management of the Native States with those under the British rule;—the operation of the monopolies of opium, of salt, and of the internal transit duties;—the supplanting of Indian by British manufactures, and the possibility of improving the former in silk, cotton, sugar, tobacco, and other articles of Indian produce;—the residence of Europeans;—the exercise of judicial functions in the interior by competent persons servants of the Company, and by natives;—the police of the country, and the fitness of the natives for such functions as judges, assessors, and jurymen, and for general civil employments, to raise them to higher sta-

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tions, to elevate their character, and to give the country a cheaper and more popular government;—the best means of native education, and also of the European servants of the East-India Company, both in England and in India;—the laws as to the Half-castes;—the state of the country now and in former times, and the condition of the people;—the state of slavery in Malabar and other parts of India;—the practice of Suttee;—the China Trade.

Such is an epitome of the variety of matter which was brought before the Committee. We appreciate the zeal, and we would by no means undervalue the powers possessed by their Lordships to enter upon so extensive a field of Indian research which has thus been opened to them; but we confess, that when we had perused the Report, strong doubts arose in our minds as to the possibility of their Lordships acquiring, in the course of an investigation which occupied scarcely *thirty days*, and little more than four hours in each day, sufficient information to arrive at a right and just conclusion on the subjects brought under review. And yet we are left to conclude, that as their Lordships did not proceed to the China Question until they had closed the evidence on the other matters, enough had been elicited to have enabled them, had they seen fit, to have offered a de-

Committee of the Lords. cided opinion upon the multifarious matter already specified.

We pass by the evidence on the finances of India, and on the China Question, as we shall have occasion to advert to it when we take up the Report from the Committee of the Commons. The remainder of the evidence has reference to the general questions connected with the internal state of the possessions under the government of the Company and those of the Native States.

We had not the same opportunity of witnessing the course of examination as we were indulged with by the Committee of the Commons: but we conjecture from the nature of the majority of the questions put to the witnesses, that such questions were propounded by the Noble Lord at the head of the India Board. We are by no means disposed to disparage that Noble Lord's capacity for readily acquiring a knowledge of the outline of our Indian system; but the limited information which he must necessarily possess, as to internal Eastern policy and rule, ill qualifies any man for forming schemes of government, or laying down principles of action, as applicable to countries and inhabitants, possessing peculiarities and prejudices, which differ from each other as widely as light from darkness. Patient investigation, calm deliberation, and much caution, are required previously to the in-

troduction of what may seem to be an improvement upon an existing system, however opposed that system may be to our received notions of what is wise or expedient in a European state, advanced in arts, science, and religion. *Committee of the Lords.*

We discover, in the shaping and bearing of the questions, a desire to draw forth evidence to establish preconceived notions and crude theories, wholly inapplicable to the number and varieties of countries, and of their inhabitants, of which our Indian empire is composed.

We will notice, for example, a question put to that eminent servant of the Company, the Hon. M. Elphinstone, late governor of Bombay, who had previously filled various important official situations in all parts of India:

"Do you think it would be found quite impracticable "to apply *one common code* to the whole of the Indian "territories?—I think it would. There might be a "general correspondence, such as may be found in coun- "tries in Europe, the laws of which are founded on the "Roman law; but there must also be very great points "of difference.

"Subject to those differences, do you think that such "a regulation might be attended with advantage?—Per- "haps at some remote period it might; but in the present "state of our knowledge of India, I think it is desirable "to abstain from all attempts to introduce uniformity."

We are led to imagine that the *Code Napoleon* must have suggested this contemplated improvement upon the existing judicial systems of India.

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From the evidence of Mr. Fortescue, who was commissioner in the district of Delhi, we find that the people were well satisfied with the administration of justice according to the Mohamedan law, modified by the spirit of the Regulations of the Government.

We also find from the examination of Mr. Courteney Smith, who was judge of the Sudder Adawlut in Bengal from 1819 to 1827, that substantial justice was administered to the people in the Provincial Courts, where there were efficient officers.

Mr. Elphinstone considered

—" the natives are satisfied with the administration of " justice, as far as protecting innocence; but they com- " plain very much of its inadequacy to punish guilt. " I am not certain that their complaints are well-founded, " for their notions of justice are very summary, and they " are not able to comprehend the difficulties we find in cri- " minal procedure."

We are far from saying that the judicial system is incapable of improvement, and we are amongst the last of those who would deprecate the gradual introduction of judicious and well-advised amendment and amelioration in the mode of administering justice to our native subjects; but it is to the adoption of measures so visionary, and with such imperfect information, that we entertain the strongest objections.

This opinion is confirmed by that late eminent

man, Sir Thomas Munro, who observes: "One "great error in this country, during a long "course of years, has been too much precipita- "tion in attempting to better the condition of "the people, with hardly any knowledge of the "means by which it was to be accomplished, "and indeed without seeming to think that any "other than good intentions were necessary. "It is a dangerous system of government, in a "country of which our knowledge is very im- "perfect, to be constantly urged by the desire "of settling every thing permanently—to do "every thing in a hurry, and in consequence "wrong, and in our zeal for permanency, to put "the remedy out of our reach."* *Committee of the Lords.*

In comparing this state of the administration of justice in the territories under the Company's Government with that existing in the Native States, to which reference has been made in the Report of the Lords, we find Mr. Jenkins, late Resident at the court of Nagpoor, giving it as his opinion, that the system of civil and criminal justice (beyond the Company's rule) "could "scarcely be said to be any system at all." From the same authority we further learn, that under the native administration,

—"latterly there was very little security of person or "property. The country was overrun by Pindarries, "and the Rajah himself, being reduced to distress, by

* Life of Sir T. Munro, vol. iii. p. 381.

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" keeping up larger bodies of troops than his finances " could sustain, turned plunderer himself, and employed " robbers to take away the property of every person who " had any; and this was not only all over the country " where it might be unobserved, but in the city of Nag- " poor itself."

If a similar comparison be made, as to the advantages derived from the superintendence of British rule, it will be found in the evidence of Mr. Jenkins, the result of his observations during a residence of nearly twenty years, that

—" he had scarcely arrived at Nagpoor, in the begin- " ning of 1807, before he saw the whole country in a " blaze, and almost every village burning within a few " miles of the city of Nagpoor, and this going on from " year to year."

He adds, that the people were far from satisfied with the native government,

—" for they had little protection from foreign invasion. " The Pindarries were constantly ravaging the country; " and the Rajah's troops, if they were sent to suppress " them, plundered them."

After the year 1818, when the government was administered to a certain degree by British functionaries, Mr. Jenkins's evidence shews, that the country increased under it in population and in revenue;—that the improvement in the state of the country was very considerable and very sensible;—that the people were in general very well satisfied both with the administration of the government and of justice whilst under Bri-

tish authority; and that when he undertook the management of the Nagpoor territory, the finances were greatly embarrassed; but that when he surrendered the government into the hands of the Rajah, *Committee of the Lords.*

—"the revenue was about forty-seven lacs of rupees, "and the expenditure about forty-four, subsequently "reduced to about forty-two, before he gave up the "country to the Rajah, producing a surplus of near five "lacs of rupees."

A testimony to the same effect is borne by Mr. Elphinstone with respect to the tributary states in Guzzerat connected with the government of Bombay.

Sir Thomas Munro wrote from India, in August 1826, to his friend Mr. Halliburton, now in this country, and who was formerly a distinguished servant on the Madras establishment: "It is needless to speak to you of any "body in this country, for I shall not in my "circuit see a single person you know, or any "very old acquaintance of my own; but not-"withstanding this, there is a great pleasure in "passing through countries enjoying profound "peace, and full of industrious inhabitants, "which I formerly saw desolate and laid waste "by a destructive enemy."*

Again, in another letter:—"The atrocious "crimes of murder and gang-robbery are much

* Life of Sir T. Munro, vol. iii. p. 432.

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"less common in districts which have been long "under the Company's government than in "those of more recent acquisition, and are "everywhere gradually diminishing."*

The possibility of indirect taxation was also touched upon; and in the examination of Mr. Mangles before their Lordships, that gentleman was asked,

—"whether from the state of society in the lower pro-"vinces, it would be possible to raise any more revenue "by means of indirect taxation?"

To which he replied:

—"The wealth is in existence; but I cannot speak, on "the spur of the moment, of any means by which it "could be got at by indirect taxation,—their wants are "so few."

Mr. Christian gave evidence to the same effect.

"How long have you been in the upper provinces?—"About nineteen years. I was about four years and a "half on the Special Commission, and the greater part "of the time I was collector of land revenue.

"Did the condition of some provinces appear to im-"prove from that period?—Certainly.

"From your knowledge of the state of the population "of Bengal, and the territories subject to the Bengal Go-"vernment, do you think there are means of raising the "revenue by indirect taxation to any extent?—Any "change from established custom in India gives rise to a "great deal of dissatisfaction. The land-rent is what "they readily pay: although it may appear exorbitant,

* Life of Sir T. Munro, vol. iii.

"yet it is a revenue that is paid without much difficulty, "and a tax in any other shape, however small, is com- "paratively disliked, I think." *Committee of the Lords.*

Colonel Briggs, in his interesting work on the Land Tax of India, quotes some observations of Mr. Elphinstone on the introduction, since 1816, of *Tallaties,* or village-accountants, in conducting the village settlements, rather than direct by *Patels.*

"There can be no doubt," says Mr. Elphinstone, "of "the excellence of this regulation, both as promoting "the advantage of the Government and of the Ryots; "but it must not be overlooked, that it has a tendency "to extinguish the authority of the Patels, already much "weakened by other parts of our management; and "care should be taken, when the necessary information "has been acquired, which can only be done by a "regular and scientific survey, to bring the Tallatty's "power within its natural bounds, and to withdraw it "from all interference with the immediate duties of the "Patel."

It is by extracts of this nature, Col. Briggs justly observes, that one "is able to perceive how "extremely difficult it is for us in India to "change, in however slight a degree, the insti- "tutions of the people, without deranging the "whole frame of society."

With reference to those parts of the evidence which touch upon the internal improvement of our territorial possessions, by the larger intro-

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duction of British agency and capital, we do not hesitate to say, that we would accord the most liberal permission to the resort of British subjects to India, under proper and defined regulations.

We quote Mr. Elphinstone on this point with great pleasure, because we attach to his opinion peculiar weight and authority, coming as it does from a gentleman universally respected for the liberality of his sentiments, and thoroughly conversant, as he is admitted by all to be, with questions of Indian policy and legislation.

"Do you think that the general prosperity of the coun-
" try, or the moral improvement of the people, would be
" advanced by the more general residence of Europeans
" amongst them?—A more general residence of Euro-
" peans would be certainly attended with great advan-
" tages, if they carried capital or skill with them to
" India; but I think that any unrestricted residence of
" Europeans in India would be productive of more harm
" than good.

"Would not a greater resort of Europeans to the coun-
" try tend to keep down the native population, and to
" prevent the natives rising to the possession of those
" offices in which you think it would be desirable to place
" them?—I think it certainly would. If Europeans were
" allowed to go without restraint to India, I think many
" would go at first, some without capital, and others on
" speculations which would soon reduce them to poverty;
" that from the compassion of their countrymen in India,
" and their greater fitness for office, they would be intro-
" duced into employments to which we have been of late

"endeavouring to introduce the natives; and that if "they formed friendships with the Europeans in power, "which they have greater means of doing than the na- "tives, they would get advantages in other ways. *Committee of the Lords.*

"So that the elevation of the native character appears "to be inconsistent with the more general resort of Eu- "ropeans to the country?—Inconsistent with the unre- "stricted resort; but I conceive that the resort of Eu- "ropeans might probably be extended without intro- "ducing any other than beneficial results.

"The greater the number of Europeans in the country, "would not the difficulties thrown in the way of the "advancement of natives be greater?—If none went to "India but such as had capital to employ in commerce "or agriculture, no bad effects would follow from their "residence. There would be some competition, no "doubt, between them and the natives; but I think the "balance of advantage would be greater than that of "disadvantage.

"In your opinion, would it be necessary to subject the "Europeans residing in India to restrictions, as well as "to impose restrictions on their resort thither?—I do "not know that any of the present restrictions could be "dispensed with. It would be sufficient if the govern- "ment had the power of sending them out of the country, "and of sending them from one district to another, in "case of their being guilty of any oppression, or creating "any great disturbance in any particular district, as has "happened sometimes. I am always supposing they "are not so numerous as to form a very considerable "community in India. Such a community would be "very unruly, and very difficult to manage on the part "of a government which must be always arbitrary in "its character. If there were a great body of discon-

Committee of the Lords. "tented colonists, such as at the Cape for instance, I "think their clamours would probably weaken the go- "vernment very much with the natives. Their disagree- "ments with the natives would also be dangerous; and "I think there would be a great increase of the feeling "which there is now only among the lower orders of "Europeans in India, of contempt and dislike for "blacks. There would be a more marked distinction "between blacks and whites, as there is in all regular "colonies."

We would aid by every possible means the introduction of whatever might tend to revive the internal manufactures of India, which have been supplanted by those of our own country. We trust that we shall yet see the day when India will again export with advantage her muslins, her cotton (raw and manufactured), her sugar, her silk, and her indigo; and to effect these benefits, we would bespeak in her behalf the sympathy of our Legislators, to induce them to relax in the fiscal regulations, which have hitherto borne so heavily upon our Eastern productions, as to be almost tantamount to a total prohibition.

As Sir Thomas Munro justly remarks, in a letter to Mr. Finlay, dated Madras, August 1825: "India is the country that has been "worst used in the new arrangement. All her "products ought undoubtedly to be imported "freely into England, upon paying the same "duties, and no more, which English products

" pay in India. When I see what is done in " Parliament against India, I think that I am " reading about Edward the Third and the " Flemings."* *Committee of the Lords.*

There are other opinions in the same letter, in the greater part of which we fully concur, for we are amongst those, and greatly mistake if we may not add to the number the East-India Company themselves, who are disposed to afford every possible facility to trade and commerce, consistently with what they conceive to be best calculated to promote the public interests and welfare.

We cordially concur with the views of Mr. Elphinstone, as to improving the means of justice for the poorer class of natives, and of introducing native juries, which he thinks

—" would tend very much to the improvement of the " people, by drawing their attention to public business; " but he doubts whether they would promote the imme- " diate objects of obtaining either a speedy or an im- " proved administration of justice.

We also entirely agree with him as to the expediency of extending the means of education to the natives as far as possible.

With respect to the employment of natives in the management of the land revenue, Sir Thomas Munro observes, that " juster views have " of late years been taken of this subject, and " the Court of Directors have authorized the

* Life of Sir T. Munro, vol. iii. p. 429.

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" employment of the natives on higher salaries, " and in more important offices. There is true " economy in this course, for by it they will " have better servants, and their affairs will be " better conducted."*

We attach considerable weight to the opinions expressed by Sir Edward Hyde East, as to the incompetency of the Europeans to enter with effect upon judicial functions, at the early age at which they are sometimes introduced; and we think benefit would result from their being educated with more immediate reference to employ in the judicial branch of the service, with which, however, it is to be recollected the revenue branch is materially connected.

The inhuman and idolatrous practice of *Suttee* has already been abolished. We anxiously anticipate that the crime of infanticide will soon cease to exist. We look forward to the unfortunate inhabitants of Malabar being raised from their state of native slavery, and freed from a bondage so incompatible with the principles of British government; principles which, we have reason to believe, govern the instructions from the Home Authorities to their servants in India.

It may be said, that had it not been for the desultory enquiry of the Committee of the Lords, the subjects would have remained unthought of; that the time for improvement would, in the opinion of the East-India Com-

* Life of Sir Thomas Munro, vol. iii. p. 357.

pany, have been the future and not the present. To this we will reply, by referring such objectors to the voluminous printed records which are within the reach of every individual who has taken a part in the late proceedings, and which will shew the attention already given to these subjects. It will indeed be found, that since the limited period within which the vast additions have been made to our Indian empire, the Home authorities appear to have been actuated by a desire to obtain a thorough knowledge of all the internal relations and capabilities of the several countries as they have been acquired, and to introduce such amendments in the modes of administration as seemed best calculated to secure the welfare of the people.

Committee of the Lords.

It must be recollected, that little more than thirty years have elapsed since the largest of our territorial acquisitions were made. It was only in 1799 that the treachery of Tippoo led to our acquisition of the kingdom of Mysore. The powerful attitude and jealousy of the Mahrattas, and the indisposition of the Paishwa to an alliance with us, was the cause of our treaty with the Nizam in 1800. The war which followed with Scindia and Holkar, in the beginning of 1801, led to the means of our establishing our interests at Poonah, through the statesman-like measures of the Marquess Wellesley, which ended in the treaty of Bassein. We were at

Late period of territorial acquisitions.

the same time engaged in sending troops to Egypt, and likewise a mission to Persia, to induce them to attack Khorassan, for the purpose of drawing off Zemaun Shah from our frontier. It was only in 1803, through the instrumentality of General Wellesley, that a coalition between Scindia, Holkar, and the Rajah of Berar, against the Nizam, was defeated. These operations were followed by hostilities with Holkar, the retreat of Colonel Monson, and the failure against Bhurtpore. It was the battle of Deig, with the capture of Chandah, which obliged Holkar to retreat across the Chumbul. It must be also well known to our Indian readers, that the Carnatic was only brought under the British government in 1801.

When Lord Cornwallis succeeded Lord Wellesley, in 1805, a new line of policy was adopted, which led to a dissolution, on our part, of the connexions which we had formed with the states of Gwalior, Gohud, and Jeypoor. It was also contemplated, in following up the same line of policy, called for at the moment, in the judgment of Lord Cornwallis, by the necessity of economy, although diametrically opposed to the brilliant course pursued by Lord Wellesley, to have disposed of the conquered countries southward and westward between the Rajahs of Macherry and Bhurtpore. These particular points are brought forward, to shew how

utterly ineffectual any attempt would have been at that time to acquire a sufficient knowledge of the internal state of those countries, by which alone effectual measures of improvement and amelioration could have been successfully introduced, on their subsequent repossession by us. *Committee of the Lords.*

It is needless to dwell on the successive events which have so recently followed, and which have ended in the extension of the British power during the administration of Lords Hastings and Amherst, from the Indus to the Himaylah Mountains and Arracan, and from Cape Comorin to Lahore.

The wonder, then, must be, not that so little, but that so much has been done.

" When we compare other countries with
" England, we usually speak of England as
" she now is; we scarcely ever think of going
" back beyond the Reformation; and we are
" apt to regard every foreign country as igno-
" rant and uncivilized, whose state of improve-
" ment does not in some degree approximate
" to our own, even though it should be higher
" than our own was at no very distant period.
" We should look upon India not as a tem-
" porary possession, but as one which is to be
" maintained permanently, until the natives
" shall, in some future age, have abandoned
" most of their superstitions and prejudices,
" and become sufficiently enlightened to frame

Committee of the Lords.

" a regular government for themselves, and to " conduct and preserve it.*

We entirely accord in these sound and enlightened views, which we are satisfied would be of incalculable benefit to India, were they more fully understood by those, to whom the task is in part delegated of superintending the government of that country.

When we reflect that in this country it has only been of late years, by the indefatigable and enlightened zeal of the Right Hon. Sir Robert Peel, that *our* criminal code has been cleared from laws which were declared to be a disgrace to our statute-book, it manifests but a narrow acquaintance with the vast and extensive subjects embraced in our Indian history to imagine that an inquiry of a few days, conducted with particular objects, could qualify any one to pass a judgment on a system so imperfectly understood or appreciated.

We are quite sure that their Lordships, in the course which they followed, were governed by an anxious desire to advance the prosperity and happiness of the people of India; but we much question whether the terms of the motion under which the Committee was appointed, embraced the various and extensive subjects which have occupied their time and attention.

* Life of Sir T. Munro, vol. iii. p. 388.

The state of the East-India Company, and of the India and China trade, were the leading points; and had it been deemed expedient, after disposing of those heads of enquiry, to have entered into the internal administration of our varied and extensive possessions in the East, we should have suggested a course of proceeding certainly differing from the one that has been adopted. *Committee of the Lords.*

The objects which the Committee have had in view, we think, would have been more effectually attained, had a series of well-digested questions on the several points touched upon in the investigation been framed and laid before some of the most eminent of the Company's servants, and other gentlemen of character and respectability, who have resided in the several parts of India, and who have been employed in the various branches of the public service, or who have been engaged in commercial and other occupations. These gentlemen, instead of being subjected to a desultory and diffuse course of examination, by parties ill informed on the matters under investigation, by which no clear, connected, or satisfactory result has been elicited, would have been prepared to have offered their deliberate opinions upon such queries as might have been submitted to them; and the body of valuable information so obtained would have proved of the greatest advantage **Suggested mode of enquiry.**

in guiding the judgment of those on whom the decision upon the momentous points at issue must ultimately devolve.

Proceedings of the Committee of the Commons.

We now turn to the proceedings of the Committee of the Commons. It appears that with the exception of the first day of that Committee's meeting, and those of the 7th and 17th of June, which were devoted to points of finance, and of the two last days which were given to a consideration of the Half-caste petition, the remaining thirty days were occupied in the examinations connected with the China Trade.

Report.

When the report of the Committee was laid before the House of Commons by Mr. Ward, their Chairman, that gentleman disclaimed being the author of it, but bore testimony to the unanimous opinion of the Committee as to the ability and impartiality with which it had been drawn up. We understand that the public are indebted to Mr. Arbuthnot for this able summary of the conflicting evidence on the China Trade. It was a task undertaken by him at the request of the Committee, and we do not remember any Parliamentary Report in which the expression of an opinion has been purposely avoided, that has presented greater claims to attention, from the importance of the matter touched upon, than that now before us.

It is to the same Right Hon. Gentleman we owe a debt of obligation for having drawn forth, by a series of pertinent and judicious questions, some valuable and interesting information from one of the most intelligent of the witnesses who appeared before the Committee, to whose evidence we shall have occasion to advert at considerable length. *Committee of the Commons.*

It will be perceived on reference to the Report, that although the Committee were in the first instance anxious to confine their attention to the China Trade, they were unavoidably compelled to touch upon the financial branch, in order to render the results of that trade, as affecting the operations of the Company in the joint character, clear and comprehensive to the general reader.

We propose in the first place, therefore, briefly to notice the financial part of the question.

The East-India Company from the acquisition of the Dewanny in 1765, have acted in the combined character of sovereigns and merchants; Their opponents have grounded one of their strongest objections to the Company upon their acting in this joint capacity,—and have invariably asserted that territory has been drained for the purposes of commerce, and that had a distinct and separate account been kept of the territorial revenue, such fact would have been fully established. Finances.

Committee of the Commons. Finances.

So decidedly had this opinion gained ground, that in the Act of 1813, commonly called the last Charter Act, a separation of accounts was accordingly provided for, under the two heads of TERRITORIAL and COMMERCIAL receipts and charges. Under one or other of these branches the whole of the receipts and payments of the East-India Company, both at home and abroad, since the 30th April 1814, will be found.

It is important to remark, that the plan which describes the several items chargeable to each branch, was approved by the Board of Commissioners for the Affairs of India, and laid before Parliament.

It appears in evidence that the claims of commerce on territory, previously to 1780,

amounted to	£3,616,000
from 1780 to 1793 to....................	6,829,557
from 1793 to 1814 to....................	1,559,377

arising out of supplies and expenditure made out of the commercial means of the Company, beyond what territory has repaid or returned.

It moreover appears, that since 1814 the gross territorial receipts to the latest period to which the accounts can be made up, comprising a period of fourteen years, have been £284,804,815

The charges............................	304,188,859
Leaving a deficiency of	19,384,774

against the territorial branch Of the charges £278,911,469 has been expended in India.* *Committee of the Commons.* **Finances.**

The average disbursements in England on account of territory since 1814 has been about £3,000,000 annually. This large advance or payment in England on account of territory has been in part repaid by remittances from India and China.†

The rate at which these repayments have been made in India for the disbursements on account of territory by the Company in England was fixed by the Board, under the powers vested in them by the Act of 53 Geo. III. c. 155.

The accounts in Bengal are kept in sicca rupees, these are converted into current rupees, which rupee is sixteen per cent. less valuable than the sicca;‡ in consequence of such mode of calculation the territorial account gained by exchange in the fourteen years £7,187,178. In the same Act of Parliament it was provided that the surplus

* Civil Establishments..........	£117,606,336
Military.....................	137,253,467
Interest Indian Debt..........	24,051,666
St. Helena	1,362,256
In England	23,915,134

† Through India	£12,920,937	since 1814
China....	11,417,113	
	24,338,050.	

‡ Sicca Rupee....... 2. $3\frac{84}{100}$.
Current do .... 2.

Committee of the Commons. Finances.

commercial profits of the Company in England which remained after paying all commercial charges and a dividend of ten and a half per cent. to the Proprietors on the *capital* stock, amounting to £630,000 per annum, should be applied to the benefit of territory in such manner as the Court of Directors, with the approbation of the Board of Commissioners, might determine.

During the fourteen years a sum of £4,923,020 has been accordingly applied from the surplus commercial profits to the aid of territory, making with the sum gained by the rate of exchange a total benefit derived by territory from commerce of £12,110,198 during the last fourteen years, besides which there is an additional sum of £3,184,000 due from territory to commerce in account-current.

Aid from commerce to territory.

We think that these facts fully confirm the statement made by Lord Ellenborough on proposing the appointment of the Committee in the House of Lords, and presenting accounts which he stated had been prepared "for the "purpose of dissipating the fallacy which has "arisen out of doors, and which has been "most industriously propagated in this coun- "try, namely, that the territorial finances of "India have derived no benefit from the com- "mercial funds and profits of the Company. "The case is far otherwise. It will appear

"from the documents which have been laid "before Parliament, that during the course of "the sixteen years which have now elapsed "since the renewal of the Company's charter, "in point of fact, the territorial finances of "India have appropriated to themselves, either "directly or indirectly, as large a sum of the "commercial profits of the Company, as has "been appropriated to the payment of divi-"dends to the Proprietors of East-India Stock; "and, in fact, since the renewal of the char-"ter, the monopoly of the China trade has "rather been administered by the Company for "the benefit of the finances of India, than for "their own." *Committee of the Commons.* **Finances.**

A short summary of the whole of the commercial concerns of the Company from 1814, laid before the Committee of the Commons on the 17th June, will shew at one view the results to the year 1828-29, *viz.*

India investments, costs and charges	£27,440,762	
Sale amount	27,109,120	
		331,120
Charges in India, sea losses, &c.		318,662
		649,782
Profit on exports from England	£430,294	
Do. on Saltpetre	9,206	
		439,500
Nett loss on India trade since 1814		£210,282

Committee of the Commons. Finances.

China investments, costs and charges	£39,953,371
Sale amount...........................	56,140,981
	16,187,610
Deduct charges and sea losses......	773,196
Nett profit	£15,414,414

From which if £210,282, the *nett loss* on the India trade since 1814, be deducted, there will be left *a nett profit* of £15,204,132 on the India and China trade.

Had the accounts been made up at the mercantile rate of exchange, ascertained from the rates at which bills have been drawn from London on Calcutta in each year, instead of the rates fixed by the Board of Commissioners as regards the repayment of territorial advances, the foregoing account of their India trade would have exhibited a profit of £2,313,825, instead of a loss of £210,282, making a difference of £2,524,107

The profit on the China trade would have been increased in the same period by the sum of 1,556,902

Making a total difference of £4,081,009

It is nevertheless true that one witness, than whom we do not believe there is a more amiable man in private life, still pertinaciously contends, in the face of every official proof, and of the concurrent opinion of every authority who has

presided over the affairs of the Company, either in India or in England, that *commerce* derives its pecuniary means from the *territorial* revenue. We give the evidence of Mr. Rickards, to whom we refer, which is as follows:—

Committee of the Commons. Finances.

"You say the profits on the China trade are small? "—According to my view of the documents, there would "seem to be a small profit on the China trade, but not "after paying dividends and interest on home bond-"debt.

"And yet you say that this payment of £3,000,000 "a year is made from the proceeds of that trade?—"From the proceeds of the sale of goods, for which the "revenues of India appear to me to have furnished "funds.

"But still it is through the medium of that trade only "that those territorial charges are defrayed?—From the "sale proceeds of the goods, not from the profit.

"Then you still persist in the opinion that the terri-"tory supports the trade?—I do.

"Would your opinion remain unaltered if it were "shown to you that Lord Melville, Mr. Canning, Mr "Bathurst, Mr. Williams Wynn, and Lord Ellenbo-"rough, in their offices severally, as presidents of the "India Board; that the Marquis of Hastings, Lord "Amherst, and Lord William Bentinck, as Governors-"general; that the several Chairmen, Court of Directors "of the East-India Company; and that all the Ac-"countants of the India Board, of the Bengal Govern-"ment, and of the Company, totally differ from you in "that conclusion, and unite in agreeing that since the "accounts were separated the territory has derived re-"sources and aid from the trade?—The question, I

Committee of the Commons. "admit, contains a host of most respectable authorities "against the conclusion I have drawn, but opinions on "either side do not amount to proof."

We notice this circumstance, because it shews how strong a prejudice still exists against the Company's commercial system, and the singular attempts that are still made to maintain a position so manifestly absurd, and so utterly untenable upon any rational ground of proof or demonstration.

China Trade. In proceeding to consider the China Question, it is important to bear in mind that of the remittances made from abroad to meet territorial payments in this country on account of India, £11,417,133 was made through the China channel of remittance, the only one which, in fact, produces at the present time a favourable commercial out-turn. It is likewise the source from whence the Company derive the means of paying the dividends upon their stock, amounting to £630,000 per annum, which is about 3½ per cent. on the capital embarked of £21,731,869.

It is on this account that the East-India Company contend for the continuance of their exclusive privileges, so far at least as that in tea is concerned, which alone enables them to meet all the pecuniary demands arising out of the combined trust reposed in them.

Committee of the Commons. China trade.

To this exclusive privilege the Liverpool merchants and others object, in their petitions to Parliament.

We proceed to notice the evidence brought forward in support of those objections. The two first witnesses examined were gentlemen belonging to the Company's factory in China.

It must not be inferred from this circumstance that they were called forward to make out any case on behalf of the Company. It was at the instance of the Committee that they attended to give evidence, and the advantage that the opponents of the Company derived from the fact will be apparent, from the means which it afforded them of framing and bringing forward witnesses, who were examined with the direct view of rebutting or oversetting such evidence, and of establishing the necessity and importance of throwing open the trade with China to the public at large.

Super-Cargoes' Evidence.

Messrs. Marjoribanks and Davis, the two gentlemen alluded to, appear to have given their evidence with great clearness and impartiality; there was no desire to magnify the risque which they conceive would be incurred by a repeal of the existing restrictions. They considered that the security of the trade would be endangered by the resort of a greater number of British ships to Canton; that a very active competition

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would soon arise, and have a tendency to induce them to undersell each other in imports, and to give higher prices for the productions of China than are now given by the Company; that smuggling, which had much increased in China of late, would be still further extended, and prove another cause of endangering the trade; they stated that the East-India Company's servants set their face decidedly against all illegal traffic; that the Company's representatives in China possess a superior influence over other foreigners from the magnitude of their trade, the regularity with which their affairs are conducted, and the good faith which is universally observed by the Factory in all their transactions. They did not consider that an increased consumption of British manufactures would take place, as the Chinese markets have of late years been fully supplied with them at most reasonable prices, but upon which prime cost could not be realized. They stated that some of the impediments would arise out of the limits which the Chinese have set to foreign trade; that there is only the port of Canton, situated in a southern corner of the kingdom, open to the foreign trade, with the exception of that of Amoy partially to Spaniards: which the Spaniards have been obliged to abandon from their inability to cope with the Mandarins. It appears that the articles which we import into

China, are carried to the northern provinces, which being cold is where woollens are principally used. Those provinces are situated twelve hundred miles from Canton; the mode of conveyance is by canals, and is expensive; heavy duties are charged on foreign importations, and the laws of the country prohibit the use of strange and foreign things; and that the Chinese have arrived at a very great perfection in their own manufactures. They stated that the Company have the pre-emption of all the black teas; that in some classes of the green teas they experience competition with the Americans, who frequently give higher prices than the Company's standard; but that even the green tea merchants, who are in number about four hundred, and men of small capital, always shew a greater wish to trade with the Company than with individual merchants, as they consider the Company a better customer and a better paymaster, and that the Company's large amount of trade gives their representatives in China great influence with the Hong merchants, (with whom alone they deal), as well as with all the government authorities any way connected with the Foreign Trade. That it has been through the exertion of their influence that a rise in the price of teas, as well as a closer monopoly, by the establishment of a co-hong, was successfully opposed and prevented; and

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that the Company's representatives are the only persons in China who possess the right acknowledged by the government, of addressing them in the language of China. British ships from every port in Asia are permitted to resort to China, and British merchants have been allowed by the Company to remain in China, and every encouragement has been given to British commerce there; and that under the Company's protection the British trade generally at Canton originated and has been preserved, whilst the American trade has decreased. That although the Company have the exclusive right of trading with the dominions of the Emperor of China, they have given tea licenses to country ships to proceed from different ports in India to carry teas there and to New South Wales; and that with reference to the term Monopoly, the Company's servants have never shewn the least wish unnecessarily to restrict the limits of British commerce, or to interfere with the fair trader, as long as he conducted himself in a manner that could not endanger the general trade in Canton.

Without attempting to place any undue weight upon the evidence of the Company's supercargoes, and admitting that the access to the port of Canton and the facilities of trade are as great or greater than at any other foreign

port, we shall shew that the supercargoes are fully borne out in the greater part of their evidence by that which was brought forward on the part of the private merchants.

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W. BROWN, Esq.

the head of an extensive mercantile establishment at Liverpool; trading with America, and from this country to China.

Evidence in support of pr[i]vate trade.

"Stated that latterly the speculations from this country "in goods shipped on account of Americans to China "have been very unprofitable. The direct trade of the "Americans from Canton to Europe has not been profit-"able lately."

Mr. R. MILNE,

resides in Philadelphia; has carried on a trade with China for a considerable period, and to India.

"The importation of tea into America has been over-"done. There have been very large losses, which he "attributes to the love of gain of persons who have got "embarked in the thing, conceiving that if they got a "larger quantity of goods they might recover themselves. "He never shipped goods for China, but carried out "specie, as the difficulty in trading in goods would "certainly have been greater. He left off the trade "because he did not find it profitable. He did not "make much, or rather did not make any thing.—When "he left the China trade he turned his attention to the "cotton trade, in which his friends and connexions in "Lancashire were quite at home, but he did not better "himself much."

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W. CARTWRIGHT, Esq.

a merchant at Buenos Ayres for the last eleven years.

" Had only one adventure to China, in the year 1822; " it was not a very profitable one, in consequence of the " high freight. It was a joint adventure amongst a " great number of British merchants there; the amount " vested was from 100,000 to 150,000 dollars. It was " the only adventure."

CAPTAIN ABEL COFFIN,

a citizen of the United States; has commanded a ship of 397 *tons in the China Trade.*

" Several of the New York merchants connected " with the China trade have failed.—Thinks the profits " now realized by the merchants generally in the United " States considerably less than some years ago. There is " a difference of from five to ten per cent. in favour of " the teas purchased by the Company.—Cannot say " whether he has heard that the East-India Company's " factory have communications with the Chinese govern- " ment, but believes the Americans have not."

Mr. JOHN AKEN,

commanded a ship trading between India and China in 1817, 1818, 1819.

" The commission on the consignment to the American " merchant at Canton three and a half per cent. on the " sale price; at Canton, two and a half on the invoice " price; one for negociating bills.—The outside mer- " chants are people that you can scarcely ever tell what " character they are of, unless you have dealt with them " once or twice: if you deal with a stranger it requires " caution, and you may be minus.—Knows nothing of " the trade since 1819.—The Company's factors do not

"interfere in the least, they are not at all vexatious, "they are very liberal, they behave exceedingly well to "all the country captains. They were not any protec- "tion to me in carrying on the trade. If the hong "merchants had been guilty of any fraud, or anything "of the kind, I believe the supracargoes would take it "up and assist me in that particular, and perhaps inter- "fere with the Viceroy.—Thinks he did not buy his teas "as advantageously as the Company, who could pur- "chase their teas cheaper because they had great facilities, "and because they contract for them a year before." *Committee of the Commons.*

JOSHUA BATES, Esq.

an American, ten years in this country, a partner in the house of Baring, Brothers, and Co., and manager of the business of an American house connected with the China Trade.

"Thinks the trade of the Americans, as compared "with that of the Company, to be almost two-thirds less. "—The trade has been overdone by the Americans, "and the return in teas to Europe not profitable, not- "withstanding the Americans had the advantages of "outfit and victualling with foreign provisions."

This will further appear from the following answers to questions put to Mr. Bates:

"Would it put the British ships more upon an equality, "if those ships for long voyages might be victualled at the "price of provisions on the Continent of Europe?—It "would make a very great difference.

"If, for instance, they could be supplied with bread "and other provision-stores at the price of the bond- "ed warehouse corn, would that make a considerable "difference?—It would make a very great difference.

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" It was the case that they could be so supplied some " time ago; I imported some beef from America to " supply that demand, and they altered the law here to " prevent it; that was about the year 1826.

" Your object being to victual your ship with foreign " provisions?—That was the object of bringing the beef " here."

It must, we think, strike our readers as an extraordinary circumstance, that it should have been necessary to introduce a parliamentary provision to protect British interests against the operations of British merchants, in promoting the advantages of our greatest competitors in commercial enterprizes.

The Company buy their teas at great advantage.

W. S. DAVIDSON, Esq.

resided at Canton as a merchant in 1807, *and from* 1811 *to* 1822.

" Supposing the trade to be thrown open to other " Englishmen, if the Company continue to trade, he " foresees that many difficulties may arise, and believes " that individuals would conduct themselves so irregu- " larly that they would be soon embroiled with the " Chinese.—Comparing the time when he arrived at " Canton with the time when he came away, he conceives " unquestionably that there were greater facilities for " trade at the termination caused by the privileges " obtained by the exertions of the East-India Company's " Select Committee; and that it applied to the Ameri- " cans as well as to all foreigners trading there. That " supposing the trade were thrown open, and the Com-

"pany to exist as a Company without exclusive privileges, "and supposing a consul, with perhaps a council on the "part of the crown, with powers to regulate the conduct "of every Englishman visiting Canton, he should say "—that unless judicious and energetic diplomatic "arrangements preceded such a change, the British trade "would not exist at Canton two seasons without the most "violent and serious interruption. His reasons for "thinking so were these. The Company possess the "twofold character of trading merchants and of a great "controlling power: they can temporise, as they have "done before; but if the representatives of Great Britain "emanated directly from the government of this country, "he conceives they would be placed precisely in the same "situation as the men-of-war have always been in, that "is to say, they would stickle for the honour of their "government, and they would not be able to recede from "their first demands, by which means the trade would "be lost for two seasons at least; many individuals would "be thereby entirely ruined, and the country would be "unable to reinstate their commercial intercourse with "China without incurring a vast cost."

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In reply to a question in which Mr. Davidson was requested to state the advantages and disadvantages resulting from the British trade generally in China, under the existing regulations by the East-India Company, he states that the influence of the East-India Company, who can and do act with unity and vigour, forms a counterpoise of inestimable value against the Hong monopoly, which individuals could not form. The absence of this would have the direct effect

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of decreasing the prices given for all the imports, and of increasing the prices demanded for all the exports. Another benefit is the facility of remittance through bills on their Indian governments, and security of person and property to British subjects. The disadvantages he considered to be both few and unimportant.

Mr. Davidson in the course of his examination adverted to the possibility of future changes in our intercourse with China, and he was asked to state to the Committee—

" What is your idea of this perfect state of the trade " with China which you should wish to see established ?— " In doing so, I feel that I must consider China as a civi- " lized nation; and I therefore can entertain no doubt that " vigorous negociation would obtain Great Britain all the " privileges she can seek to enjoy in such a distant and " peculiar country. The only basis on which, I think, the " trade with that country could be carried on with safety " to this country, and with comfort to the individuals who " embark, is that of a treaty of commerce, wherein the " duties of the foreigners who visit China shall be clearly " and distinctly defined, wherein their rights, in return, " shall be acknowledged, and the whole connexion proceed " upon the sanction of such laws and regulations as I " cannot doubt (it being always assumed that China is " civilized) this country is in a state to exact. At the " present moment the government of China admit us to " hold intercourse with them. We take to them those " articles which they require, and we receive in return " the surplus of their productions; a state of things which " I hold to be the most wholesome and consonant possible

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" with the interests of both countries; and I read in an " author of celebrity, under the head of 'Right of all " nations against one that openly despises justice,' that " if by her constant maxims, and by the whole tenour " of her conduct, she evidently proves herself to be " actuated by that mischievous disposition, if she regards " no right as sacred, the safety of the human race requires " she should be repressed;' and again, 'to despise " justice in general, is doing an injury to all nations.' " Vattel is my authority.

" And you are of opinion that this better state of " things in China might be brought about by a more " vigorous exercise of authority on the part of this " country?—I do not entertain a doubt of it.

" Do you think it might be brought about by a mere " withholding of trade, or that it would require any more " vigorous measure to produce it?—I consider that a " vigorous negociation, accompanied by a threat that the " King of England would no longer consent to hold " intercourse with China on the degrading footing on " which it has hitherto been carried on, would altogether " alter the tone of the government of Pekin."

The gravity of the Committee must have been somewhat disturbed at this curious dissertation on the law of nations, and the writings of Vattel, by one who had contravened the existing laws of the state, which tolerated his residence on its shores, where, acting as an agent for smuggling opium, he describes himself as " having been involved in a constant sea of troubles." From this state he would now, by coercive means,

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exact concessions, which we might deem best calculated to promote our own interests !

Charge by Mr. Bates of exorbitant profit on tea.

In the course of the examinations on the China trade, Mr. Bates, to whose evidence we have already had occasion to advert, stated that he should say

"—the teas cost the country about a million and a "half more than they would if bought on private account. "and that consequently the East-India Company derive "a profit of a million and a half beyond what he consi- "dered to be a fair mercantile profit. That he should "suppose 25 per cent. would be a fair mercantile profit "on the Canton cost on the finer teas. The coarser teas "would bear rather more. And that he could venture "to contract to deliver it for one-third less than the "Company's sale prices in London."

A statement made in such decided terms, by a member of so highly respectable a firm as that of Messrs. Barings, and involving a charge against the Company of a profit so enormous, and so far beyond what the act of Parliament, under which the upset price of tea at the Company's sales is fixed, could be supposed to authorize, led to the further examination of Mr. Bates as to the value put upon the tale, the Chinese coin by which the original cost of the tea is calculated.

Calculation of the tale.

On the 3d March, in reply to a question as to the rate of exchange between Canton

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and this country, Mr. Bates stated that the latest data was from newspaper authority, but was probably correct, and gave it at 3*s*. 11*d*. sterling the dollar for bills at six months, and with such a bill for £100,000 on a house of credit in England, teas could be purchased which would be at the rate of 5*s*. 5$\frac{20}{72}$*d*. per tale. The average of the last five years he considered to have been about 4*s*. 1*d*. or 4*s*. 2*d*. the dollar. The latter would give the tale 5*s*. 9$\frac{32}{72}$*d*. Thus, according to Mr. Bates, the tale calculated at the exchange of the day for bills was worth only 5*s*. 6*d*., and consequently the value put upon it by the Company of 6*s*. 8*d*. led to an increase on the prime cost of nearly twenty per cent., which was a contravention of the Act of the 24 Geo. III. cap. 38, which Act provides, that upon all teas put up for sale by the Company, the upset price shall not exceed the prime cost thereof, with the freight and charges o importation, together with lawful interest, from the time of the arrival of such tea in Great Britain, and the common premium of insurance, as a compensation for the sea risque incurred therein.

Mr. Bates being asked for the calculation upon which he came to the conclusion that the Company gained £1,500,000 more profit than would remunerate the private trader, replied

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" I have no calculation made, but I can give the " Committee the materials for making one. I can give " the cost of a given quality of tea at Canton, and " taking the freight and charges, and the sale price here, " the profit is ascertained; and I should state, that in " these times ten per cent. is considered a fair mercantile " profit, and all gain beyond that would be so much " gained by the Company beyond a fair profit; that is, " private traders would sell their teas at a price so low " that would leave only 10 per cent. profit, and probably " even at less, and be satisfied.

" What allowance ought to be made for wastage of " the teas?—Very little.

" As much as 5 per cent.?—I should think not, per- " haps $2\frac{1}{2}$ per cent.

" Will you have the goodness to state to the Com- " mittee some of the materials of your calculation?—Take " congou tea of the past year; I find the contract price " of the highest quality is 29 tales, that would be about " $13\frac{1}{2}$*d.* per lb. I would add for the freight *3d.* per " pound, there would then be about $2\frac{1}{2}$ per cent. loss of " interest, as I am calculating for it to be paid for with " the proceeds of bills drawn at six months' sight, and " the teas would arrive here before the bills would be ' presented, and I suppose the charges here are about " $2\frac{1}{2}$ per cent. There would be another $2\frac{1}{2}$ per cent. " for the insurance, making altogether $7\frac{1}{2}$ per cent., " which upon $13\frac{1}{2}$*d.* would be 101-hundredths of a penny, " and then you have $17\frac{51}{100}$*d.* as the cost and expenses " of bringing the tea here; I add $10\frac{1}{2}$ for profit.

" Have you made any allowance for wastage?—That " is embraced in the calculation of the cost per pound " in converting the peculs into pounds, and the tale " into pence; I include that in the $13\frac{1}{2}$*d.* The total

"comes to $18\frac{86}{100}d$. I find that the highest sale-price
"of congou was *3s.* $1\frac{1}{2}d$. Perhaps it would be safer
"to take the second price of congou, that is *2s. 7d.*,
"that is the price obtained at the last sale of the East-
"India Company.

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"In making this calculation do you calculate upon
"having a profit upon the outward cargo?—None what-
"ever. I have taken the freight at which ships can be
"chartered for the voyage out and home.

"Do you consider 10 per cent. a sufficient profit upon
"an adventure of that kind?—Ten per cent. I should
"consider a brilliant profit.

"You mean 10 per cent. beyond interest of money?—
"I have estimated interest of money in the charges."

Charge of illegality against the Company.

The opponents of the Company felt that they had now ample grounds for establishing a charge against the Company for having contravened the law under which they enjoyed the trade in tea, and that they had forfeited the exclusive privilege, which had consequently become null and void. In the course of the examination, for the purpose of establishing this charge, the late Right Hon. Member for Liverpool supposed an adventure in which the Company were to lose 500 per cent., and gravely asked, whether they should feel that the Act was not strained by charging the tale at a rate which should cover that loss?

We have heard of a man losing all he had embarked, but we have still to learn, how a man can lose 500 per cent. beyond the value he may have risked!

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Mr. Melvill's evidence in opposition to Mr. Bates'.

We have no cause to regret the protracted and close examination to which this charge gave rise. We owe to the questions put by Mr. Arbuthnot, the clear and comprehensive exposition by Mr. Melvill, "the Auditor of Indian Accounts," of the principle upon which the calculation is made for fixing the upset price of teas at the Company's sales.

The evidence of this officer fully developes the combined operations for effecting remittances through China in part payment of the political outlay in this country on account of India, and for securing the commercial funds from which the surplus profits of £15,294,192 already shewn to have been applied since 1814 in aid of the Indian territory, has been derived.* We give, therefore, at greater length than we otherwise should, the evidence of Mr. Melvill upon a subject hitherto little understood, and yet forming one of the most important features in the present system of administering the affairs of our Eastern Empire.

"The first point that the Company have to consider
"in carrying the law into effect is, how they are to com-
"pute the prime cost of their teas. All the Company's
"consignments and remittances to China are made
"entirely with a view to, and do in fact terminate in,
"supplying their treasury at Canton with funds for the
"provision of tea. The course of proceeding which

* Vide page 42.

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" the Company adopt each season is this: they first take " a view of the state of the market, and of the probable " demand for tea, and according to that view frame " their indent for a quantity of tea to be brought from " China sufficient to keep up a year's consumption before- " hand, as required by law, and estimate the probable " cost of that tea in tales. The next step is to provide " the means of paying for the tea. With that view they " buy cotton in India for consignment to China, which " is paid for in rupees, received in reimbursement of " sums disbursed in sterling, on account of that portion " of the territorial charges of India which is incurred " in England. They direct the supercargoes to receive " dollars in China in exchange for bills upon India, " which are paid in rupees, received in like manner. " They purchase British manufactures for consignment " to China, which are of course paid for in sterling. " A very small portion, about one-sixteenth of the " whole, in 1828-9, was provided by bills drawn in " China upon the Company in London. The prime cost " of the tea brought to England under these arrange- " ments is the sum expended in sterling in providing " the tales with which the tea was bought, including " freight and charges upon the outward consignments, " which are in fact remittances, and upon the homeward " investment of tea.

" Does it also include the charge of interest?—Interest " forms a necessary part of the charges. The Company, " as merchants, are entitled to charge interest from the " date of expending the money in making the remittances " until the period when, if they were free from the re- " striction of the Commutation Act, they would be in " the situation to sell the tea. That Act, however, " restrains the Company from selling their tea imme-

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“ diately upon its arrival, by requiring that they should “ keep a considerable stock on hand; and in order that “ they may suffer no loss on that account, it is provided “ that the Company shall add to the prime cost of the “ tea lawful interest from the time of its arrival in Great “ Britain. Combining, therefore, ordinary usage, as “ respects interest being included in the invoice charges, “ with the parliamentary enactment, the upset price of “ the tea should include interest from the time of the first “ expenditure to the time when the sale proceeds of the “ teas are realized.

“ Can you state what proportion of the funds required “ for the purchase of tea in China is raised by bills in “ India, or by consignments of merchandize from “ India?—The whole portion remitted from India “ amounts to about two-thirds of the whole, including “ consignments of merchandize from India to China, as “ well as bills drawn from China upon India.

“ That proportion which has been raised by being re- “ mitted from India being raised in dollars in exchange “ for rupees, how is the sterling value of the rupees calcu- “ lated?—At the intrinsic par of the rupee, computing “ the value of fine silver at the old mint standard of “ *5s. 2d.* an ounce.

“ But there is at present no such standard in silver?— “ I am perfectly aware of that circumstance. The stand- “ ard in this country being gold, there is no such stand- “ ard as *5s. 2d.*; nor can there, I apprehend, be any “ accurate standard for silver, but the market-price, “ in a country where the standard is gold.

“ What is the market-price of silver at present?— “ 4*s*. 11*d*. an ounce.

“ The market value appears then to be *3d.* per ounce “ less than the amount observed in the Company's calcu-

" lations, has not there been an over-valuation in your " computation of the tale to that extent ?—If the Com- " mittee were to restrict their view to the two or three " last years, undoubtedly there would appear to have " been an over-valuation of the tale in that respect; " but in former years of the present charter the market " price of silver considerably exceeded the old mint stan- " dard of *5s. 2d.*, and I have ascertained that upon an " average of all the years since 1814-15, there is only a " fractional difference between the value of the rupee at " the market price and at the old standard.

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" Then, from your statement, it would appear that " upon an average of years there has not been any over- " valuation of the tale by the system the Company have " observed of bringing the rupees into dollars ?—That is " what I meant to say; and I would beg leave to add, " that the Board of Control, acting upon the authority " given to them by Parliament, compel the Company to " credit the Indian territory with the rupee at more " than twelve per cent. above the old standard of *5s. 2d.*, " which valuation being one to which the Company, as " advised, are bound by law to submit, they would have " been perfectly justified in applying to their transactions " with China.

" That being the case, how do you account for their " not having proportionately increased the upset price " of tea ? —The Company have never acquiesced in " the rates of exchange prescribed by the Board, but " have persevered up to the present time in earnestly " remonstrating against the observance of those rates, " and in entreating a revision of them. The China " accounts are not legally within the control of the " Board; and therefore, although the Company must " submit to the loss by this exchange, yet they have

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"been unwilling to give the least sanction to the rates "by introducing them into the valuation of the tale in "computing the cost of tea, the more especially as, if "they had done so, it would have had the effect, which "I trust I may be permitted to say the Company "always deprecate, of raising the upset price of tea.

"Do not the Company adopt a different mode of valu- "ing the tale in their account of profit and loss from that "which you have explained with reference to the upset "price of tea?—Yes. In their profit and loss accounts "they adopt the fixed rate of 6*s.* 8*d.* as a medium rate; "and the Committee will see that the Company are com- "pelled to use a different rate in this account, as the "effect of the Board's rates must be adjusted in the profit "and loss. With respect to this old rate of 6*s.* 8*d.*, I "find that it was recognized in the year 1781, in a paper "appended to the Ninth Report of a Select Committee "of the House of Commons on East-India Affairs.

"Can you state to the Committee what has been the "average cost of the tale to the Company since 1814, "upon the principle which you have been explaining?— "The average cost of the tale to the Company since "1814-15, upon the principle which I have explained, "has been 6*s.* 7·502*d.*

"What has been the average rate per tale since 1814 "at which bills have been drawn upon the Company "in England from Canton?—The average rate per tale "at which the Company have been drawn upon from "Canton since 1814-15 is 6*s.* 8·77*d.* The Committee "will see that if that principle had been observed, the "charge of interest in the computation would be for "twelve months less than that included in the Com- "pany's calculation, because bills of exchange would "comprise the interest for that period; but, on the other

"hand, the Company's calculation includes charges that "would be incurred if supplies were obtained by bills. "Adjusting both sides of the calculation, I find that "the rate at which the tale would have been computed "in the upset price of tea, if the bill of exchange rate "had been the principle of computation, would have "been 6*s.* 8*d.* ·949 decimals.

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"I am perfectly aware it is the ordinary usage to "value the coin of a foreign country expended in the "purchase of consignments to England in sterling at the "current rate of exchange. In ordinary cases it very "frequently happens that the cargo abroad is purchased "with funds raised by bills of exchange, and the cost "of those goods in sterling would, in such a case, be the "sterling amount of the bills; but the adoption of any "such system by the Company in their present circum-"stances, even were it practicable, would defeat the "financial provisions of the Legislature in respect of "India. If the Company were to buy their teas by "means of bills upon themselves, they would have to pay "those bills out of the proceeds of the teas, and then "there would not be funds for the territorial charges of "India, which comprise the reimbursement to the public "of that portion of the expenditure of Great Britain "which is incurred in respect of His Majesty's troops "serving in India. They also embrace the furlough "and retired allowances of officers in the Company's "army, the cost of territorial stores sent to India, poli-"tical freight and demurrage, and also a portion of the "interest of the Indian debt. The aggregate of those "several charges may be stated to amount, upon the "average, to £3,000,000 per annum, which is remitted "by the Company principally through their India and "China trade; and the Indian territory has the import-

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" ant benefit of effecting this remittance at advantageous
" rates of exchange.

" In what mode does the territory obtain this advan-
" tage?—The territory obtains this advantage by remit-
" ting the three millions annually at the Board rates of
" exchange, 2*s.* 3·84*d.* per sicca rupee.—At present the
" remittance, about one million sterling per annum, is
" effected through the China trade. It has been, and it
" continues to be, the policy of the Company to increase
" the remittances through that mode.

" At what rate do the Company credit the Indian ter-
" ritory with the sums so remitted?—At 2*s.* 3·84*d.* the
" sicca rupee.

" Instead of 1*s.* 11*d.*, for the reasons you have stated?
" —1*s.* 11*d.* is, I believe, the market rate now.

" Can you state to the Committee what is the present
" rate of exchange in India for bills upon England?—The
" last quotation I have seen is 1*s.* 11*d.* per sicca rupee.

" Can you state to the Committee at what rate, upon
" the average, since 1814, the Company have placed
" the tale in China by means of bills upon India?—
" 5*s.* 10·04*d.*

" Can you also state at what rate by consignments of
" merchandize from India?—At 6*s.* 7·36*d.*

" It would then appear that the consignments of mer-
" chandize have been a much less profitable mode of re-
" mittance than that of bills; how do you account for
" the Company having continued to adopt that mode?
" —The rate I have mentioned for merchandize of
" 6*s.* 7·36*d.* includes freight, which, had the funds been
" raised by bills, must have been charged upon the tea;
" omitting freight, the cost of the tale by consignments
" of merchandize from India to China is reduced to
" 5*s.* 7·76*d.*

"Then you mean to state that the upset price has "been rather kept down than otherwise by the practice "of the Company in sending merchandize from India to "China?—Clearly so; and encouragement has at the "same time been given by the Company to the trade in "an important article of Indian produce. *Committee of the Commons.*

"Can you state at what rate the tale has been placed "in China by consignments of British manufactures? "—At 7*s*. 0·49*d*.

"You take the average since 1814?—Since 1814; "the rate would be lower if we took an average for a "smaller period of years.

"Then you are of opinion that the most disadvanta-"geous mode which the Company can adopt for provid-"ing funds for the purchase of teas is by sending British "manufactures?—I think that must be admitted.

"That being the case, can you explain why the Com-"pany have continued to adopt that mode, that being "so disadvantageous?—The Committee must of course "be aware that the Company have always from policy "been desirous of exporting the produce and manufac-"tures of Great Britain to places to which they have an "exclusive privilege of trading, and I believe I may "say that the Company have felt themselves under "something of a moral obligation to do so. This policy "has at different times been not only sanctioned, but "enjoined in the charters granted to the Company and "in legislative enactments. At the period of the last "renewal of the charter, the trade with India being "then opened, of course the Company ceased to feel it "*obligatory* upon them then to send British manufac-"tures to India, although they determined not to cease "doing so until it should become absolutely necessary; "but as they had the exclusive privilege of trading to

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" China, they felt the force of the old obligation still " binding upon them, as relating to exports to that " country; and it was well understood between the King's " Ministers in 1813, and the representatives of the Com- " pany, that these exports to China were to be continued. " I may add, that when in 1826 the Company found " it necessary, from the state of the trade, materially to " restrict exports of British manufactures to India, Mr. " Williams Wynn, then President of the Indian Board, " remonstrated against that determination; and as that " related to exports to India, I think the Company " were entitled to conclude that the remonstrance would " have been much more decided if it had had reference " to exports to China. But independently of the policy " which has actuated these exports of British produce " and manufactures, it by no means appears to me that " the tale has been valued more highly than it would " have been if all the funds for buying tea had been pro- " vided in either of the other modes; for I cannot ima- " gine that the Company could have materially increased " their supplies of cotton to India, or their demand " upon the Canton market for money in exchange for " bills, without immediately either lessening the value " of the cotton in China, or raising the exchange for the " bills. I would further state, that in a concern of so " much magnitude and importance as that of the Com- " pany's in China, it is necessary that they should be " secure against the possible failure of funds there, which " might be the consequence of their having recourse to " only one method of remittance. The Company act " upon a system; and I would submit that one good test " by which that system might be tried would be, whe- " ther the valuation of the tale, by all the combined " methods which the Company have pursued, is or is not

"as good for the public as if the Company had supplied their treasury by consignments of bullion. *Committee of the Commons.*

"Are you able to state to the Committee what, upon "the average since 1814, would have been the cost of the "tale, if the consignments had been entirely in bullion? "—6*s.* 6·278*d.*, which, by the addition of the charges "now included in the valuation of the tale produced by "consignments of merchandize to China, would be in- "creased to 6*s.* 10·490*d.*, which is 2·988*d.* in the excess "of the cost, at which, by the Company's combined "operations, the tale has been placed in China.

"It has been stated in evidence to the Committee, "that a very large sum, amounting to two millions ster- "ling, might be obtained in exchange for bills upon "England. Do you think, to that extent, it would be "possible so to obtain money in exchange upon Eng- "land?—Any opinion I can give upon that point must "be formed from a perusal of the official despatches of "the Company's Select Committee in China; and from "what they have at different times reported of the state "of the money market at Canton, I must be permitted "to entertain very great doubts whether so large a sum "as two millions sterling could be raised by bills upon "England in any one year, and I am quite convinced "that it could not be done consecutively from year to "year; were it otherwise, the rate of exchange would "be so enhanced by the demand as to make the tale "much more expensive than under the present system. "Besides, if the Company were known to depend on "that mode of supply, they would be at the mercy of "a few merchants at Canton, who would have it in their "power to combine and dictate the rate of exchange, "which inconvenience is not merely speculative; it is "one which the Company's servants in China have some-

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" times mentioned in reference to their limited demands " for money in exchange for bills. I would again re- " mind the Committee, that the Company cannot grant " the bills, or rather if they were to grant them the law " would be defeated.

" Will you explain in what manner the law would be " defeated ?—I refer especially to the 56th section of the " Act of the 53d, which enacts, that a sum equal to the " actual payments made from the commercial funds at " home, on account of territorial charges in the year pre- " ceding, shall in each and every year be issued in India " for the purpose of the said Company's China or India " investments. The Company must pay the demands " upon them on account of the Indian territory, and " they could not pay those demands if they drew those " bills.

" Do you think it would be imprudent to risk the " non-provision of funds at Canton, which would be the " case if the exchange at Canton was exclusively relied " on ?—I do.

" Do not you think that the probability would be, " that there would be a more regular exchange between " England and China, if it were not for the Company's " monopoly, and if a free trade existed between this " country and China ?—I think it must be admitted " that, if the trade were free, there would be a regular " exchange between this country and China, as there is " between this country and India. The parties who " engaged in that free trade would not be under any " obligation to make it a channel of remittance from " India, which the Company are compelled to do. If free " traders to China were able, through the demand in " India for remittance to Europe, to buy their teas with " funds obtained more cheaply than the Company now

"obtain them, all such advantage would be derived "at the expense of India, because, unless the connec- "tion of this country with India were dissolved, India "would still have to transfer that large amount of "capital, estimated at £4,000,000 sterling per annum, "(three-fourths of which is now brought by the Com- "pany at a favourable exchange,) which must be "transferred in some way through trade, although it "is wholly distinct from commercial returns. It ap- "pears to me that this circumstance presents a formi- "dable obstacle to the growth of a profitable export trade "from this country either to India or to China, and ex- "plains the difficulty (which I see stated in the evidence "given to this Committee) of effecting returns for the "exports of manufactured goods to India.

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"You have stated before, that the average amount of "remittance from India, charged to be paid in England "for stores, half-pay, and so on, amounts to £3,000,000; "how do you reconcile that with your statement now, "that a remittance of £4,000,000 would be neces- "sary?—£3,000,000 is the government remittance; in "addition to that there is an accumulation of private "fortunes and there are the allowances for families "in England of persons resident in India, which I "estimate at £1,000,000.

"Do you conceive that the Legislature, in speaking of "prime cost, could not have intended such a mode of "computation?—I have great reluctance in presuming "to give an opinion upon that point. Independently of "my statement, that the clause in the Commutation Act "was prepared by the Court of Directors, who, a "short time previously to preparing it, had themselves "expressed a view of what constituted *prime cost*, ac- "cordant with the principle now adopted, and which was

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" before Parliament when the Act was passed, it strikes " me that the Legislature, in speaking of prime cost, " must have meant a computation founded upon fact, " which the rate of exchange would not in this case show. " Besides, if the Committee will be pleased to refer to " the Acts of the 13 Geo. III. c. 64, 19 Geo. III. c. 61, " 20 Geo. III. c. 56, 21 Geo. III. c. 65, they will find " that about the time when the Commutation Act was " in progress, Parliament was in the habit of con-" trolling, and in some cases absolutely prohibiting the " Company from accepting bills of exchange. I would " also venture to suggest one other point deserving of " some attention: if Parliament intended that the cal-" culation of prime cost should invariably be go-" verned by the rate of exchange, they would not have " authorized interest from the time of the arrival of " the tea in England; because bills being drawn at six " months' sight, there would have been in that case a " double allowance of interest for the period the bill " had to run after the arrival of the tea."

Mr. Melvill's refutation of Mr. Bates's charge of the Company's exorbitant profit.

We now come to that part of the Evidence which has immediate reference to the Statement made by Mr. Bates, that the Company derived a profit of £1,500,000 per ann. beyond what he could supply the market at.

" It has been stated in evidence to this Committee, that " the public could be supplied with the same quantity of " teas as are sold at the Company's sales for the sum of " £1,500,000 less than the Company receive; do you " agree to that, or can you give any reasons for differing " from that calculation?—I trust that in answering that

" question I may be allowed to premise, that as the cal- " culations upon that subject which have been submitted " to this Committee have reference to a trade in tea alto- " gether different from that which the law has prescribed " for the conduct of the East-India Company, the result " of those calculations must be totally fallacious when " viewed as a test of the past management of a public " trust; and if the result of the calculations in question " be intended as a hypothetical view of the future, it " strikes me that it can be of little value, unless it be deter- " mined by Parliament that the system under which the " Company now administer their combined trust may be " dispensed with. Independent, however, of these con- " siderations, it appears to me, upon an examination of " the calculations, that one fallacy attends most of them. " Mr. Bates takes the valuation of the tale according to " the rate of exchange at the period of unusual depres- " sion; making the tale, according to Mr. Bates, 5*s*. $5\frac{20}{72}$*d*.; " according to Mr. Thornley, 5*s*. $6\frac{2}{3}$*d*.; and according to " Mr. Rickards, 5*s*. $6\frac{2}{3}$*d*. These rates are all lower than " any at which the Company have been drawn upon, and " they are also lower than any which I have seen quoted. " I hold in my hand the Canton Price-current of April " 1829 (and which is the latest period to which a rate " could be applied to the transactions to which these cal- " culations refer), which quotes the exchange upon Lon- " don from 4*s*. to 4*s*. 2*d*. the dollar; whilst these gentle- " men compute the tale by a supposed *late* rate of ex- " change, they compute the Company's charge for tea " at the prices realized in periods during most of which " the exchange value of the tale was infinitely higher. " I think the Committee will see that, in order to make " a fair comparison, the valuation of the tale, and the

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"price of the tea, should have reference to the same "periods. Besides this general objection to all these "computations, I find that with respect to that sub- "mitted by Mr. Bates, he is mistaken arithmetically. "Mr. Bates selects contract congo tea, estimates its price in China at 29 tales per pecul, and states its cost in "sterling at 13½*d.* a lb. Now, after making the deduction "which Mr. Bates allows and states that he has himself "made for wastage, and reckoning the tale at the lowest "rate of exchange which has been assumed, viz. *5s.* $5\frac{20}{72}$*d.* "the cost in sterling, instead of being 13½*d.* is 14½*d.*, to "which adding *3d.* per lb. for freight, 7½*d.* per cent. for "charges, and 10 per cent. for profit, those being the rates "stated by Mr. Bates, the price per pound is 20·03*d.* "instead of 18·86*d.* The whole quantity of tea sold by "the Company in 1829-30, was 27,455,063 lbs. weight. "If that quantity of contract congo, the tea selected by "Mr. Bates, were sold at the price assumed by Mr. Bates, "as now corrected, it would produce £2,291,353

"And at the average price realized for such "teas at the Company's sales in 1829-30... 3,238,781

"The difference being.......................... 947,428

"Which is, even upon Mr. Bates's data, one-third less "than the amount which he has stated is overpaid by the "public under the present system. Of this sum of "£947,428, £350,280 results from the biddings at the "Company's sales beyond the price at which the Company "offered to sell the tea; so that the real excess of the "Company's charge beyond that assumed by Mr. Bates is "reduced to £597,148, whereof one-third is ascribable to "the difference in exchange, and most of the remainder to "the items of freight and interest, the Company's charges "of which are necessarily in excess of those which a

"private merchant would incur, owing to the laws which "regulate their shipping, and make it obligatory upon "them to have a large stock of tea on hand. *Committee of the Commons.*

"Are you aware that Mr. Bates states in his evidence, "when he takes the last sale price at 2*s*. 7*d*., 'that is the "price obtained at the last sale of the East-India Com- "pany?'—Yes, but that is not the fact; the average "price was 2*s*. 4*d*. 312 decimals, instead of 2*s*. 7*d*., as "taken by Mr. Bates.

"Will you be good enough to give in a statement of "your calculation, by which you make the price of tea in "1829 come out to 14½*d*. instead of 13½*d*.?—My calcu- "lation is simply this; a pecul of tea, 133⅓ lbs., losing "two and a half per cent. by wastage, purchased for 29 "tales, each tale being worth 5*s*. $5\frac{9}{7}\frac{9}{2}$*d*. costs 14½*d*. "per lb.

"You have said that the average sale price received "last year was 2*s*. 4*d*., and in correcting Mr. Thornley's "computation you state it at 2*s*. 2*d*.?—Mr. Bates's "evidence applies to *congo* tea, Mr. Thornley's applies "to *all* descriptions of tea; that accounts for the differ- "ence between these two prices.

"From Mr. Bates's calculations you have deducted a "sum of about £350,000, as excess obtained by the "Company in the sale of tea in the price at which they "put up their teas; do not you consider that as a profit "by the Company?—Undoubtedly it is profit; but my "distinction is this, it is not what they demanded, it is "the result of a fair competition in a market abundantly "supplied.

"Will you explain what you mean by a fair competi- "tion?—I mean that any one may go and bid for the "teas.

"That is according to the supply which the Company

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" put into the market?—I will explain how the Company " manage their supply. Previously to making the tea de- " claration every quarter, they look at the amount of the " deliveries during the previous quarter; they look also at " the quantities sold in the previous sales, and they always " put up at the sale a larger quantity than the average " amount of the deliveries at the previous sales of the " year, increasing the quantities of those sorts of tea " which there appears to have been the greatest demand; " that is also the principle which governs the Com- " pany's orders to China for tea. The Committee are " also perhaps aware that, as a proof of the market " being abundantly supplied, very large quantities have " been rejected.

" That is to say, left unsold at the upset price?— " Exactly."

We find Mr. Melvill again questioned on the 10th May with reference to the answer which he gave on the 29th April, on the assertion of Mr. Bates as to the profit of one million and a half beyond what he could supply the market.

" You state that the price of the contract congou in " 1829 was 20*d.* ·03 per pecul; is not that the highest " price?—It was necessary for me, in examining Mr. " Bates's calculation, to take the price which he assumed. " 29 tales per pecul; and on reference to the prices " actually paid by the Company, I find that the average " price of contract congou was within 140 decimals of 29 " tales.

" Is not a great proportion of the tea very much inferior " to the contract congou?—Yes; but my answer was " given to meet the hypothetical calculation of Mr. Bates.

"Are you aware of the quantity of opium which is sent "at the present moment from India to China?—I know "that it is very considerable.

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"Are you aware of the fact of its having increased very "much?—I believe it has; but at the same time that "trade is subject to certain contingencies. The super-"cargoes have reported twice or three times during the "present charter, that owing to some new exercise of "rigour on the part either of the Emperor of China "or of the local authorities, to check the contraband "trade in opium, they have been unable to rely with con-"fidence upon the proceeds of that opium for the supply "of their treasury.

"Supposing that trade to have considerably increased, "would it not thereby afford considerable facilities in "carrying on the rest of the China trade?—The Com-"pany always take up two-thirds of their funds in "China, by either bills upon India or consignments "from thence; and therefore it can only affect, so far "as the Company are concerned, the difference between "that and the total amount of the prime cost.

"Are you acquainted with the present price of opium "in China: has not it diminished in proportion to the in-"creased quantity?—I am not acquainted with that fact.

"In answer to question 4356, relative to the difficulty "of obtaining bills in Canton upon England, you "stated that you would obtain the particulars there in-"quired after for the information of the Committee; "have you obtained that information?—I have. In "the year 1815-16, the supercargoes of China having "occasion to draw £841,716 in dollars, opened their "treasury in China for bills at the rate of 5*s.* 6*d.* a dollar, "at which they obtained 391,823 dollars; they then "increased the rate to 5*s.* 9*d.*, at which they obtained

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" 337,073; and they then further found it necessary to " increase the rate to 6*s*., at which they obtained 112,820 " dollars; and they ultimately were obliged to get specie " from Bengal.

" What was the first rate?—5*s*. 6*d*., 5*s*. 9*d*., and 6*s*. " So far as respects the question of facility for raising " money in China for bills in England, I will read an " extract of a secret letter from China, dated 28th of " January 1826, in which the supercargoes say, 'the " 'great and sudden falls in the value of bills on Eng- " 'land, and the absence of any distinct ground on which " 'to infer that bills will in the next season recover their " 'rate, lead us to hesitate in offering an opinion that so " 'large a sum as 1,000,000 of dollars may be procured " 'next winter by bills issued at any rate of exchange, " 'equivalent to the cost of a remittance of dollars from " 'London to Canton on account of the Company.'

" What was the result in the following year?—In 1826 " they drew 73,169 dollars, and 79,168 dollars.

" Were they able in the subsequent year to draw to " the amount of 1,000,000 of dollars, about which they " expressed some doubt?—In the year 1827-8, they " drew 1,700,000 dollars at 4*s*. 3*d*. the dollar.

" Were the fears anticipated in that letter actually " realized?—It would appear not; but the apprehensions " of the supercargoes probably arose from anticipating " an interruption to the opium trade, which might or " might not take place.

" Three years have since elapsed; has any other let- " ter from the supercargoes been received expressing " similar fears?—The supercargoes are not allowed now " to draw upon England, and they have obtained their " supplies by bills upon India, and by consignments from " India and from England.

"Has there frequently been great difficulty in obtaining bills upon India at Canton?—There may have been. The supercargoes have sometimes felt difficulty in negociating their bills upon India. *Committee of the Commons.*

"Has there been any other mode of remittance resorted to in consequence of that difficulty?—Yes; bullion has been exported from Canton to India.

"Would the rate of exchange show a difficulty of getting bills; has not the rate fallen from 4*s.* 3*d.* to 4*s.*?—It would appear so from the Canton Register. I believe the quotation in that document of the low rate is accompanied by the observation 'No Bills.'

"If the East-India Company in their trade with China, think it necessary to employ all the different circuitous modes, which you have described, of maintaining the exchange in Canton, so as to bring the tale out, as you have stated, at 6*s.* 8*d.* to the Company; and if under that protection which the Company are giving to exchange, the foreigners are availing themselves of that circumstance to draw their bills as low as 5*s.* 6*d.* the tale; is it not clear that the Company are working for the benefit of the foreigners in that instance?—I could not arrive at any such conclusion by looking at the exchange in one year. No just conclusion can, I apprehend, be formed, but by looking at it upon the average of years; and upon the average I find that the Company's valuation has been less than that of the exchange rate at Canton, and therefore less than that at which a foreigner can draw."

It was naturally to be expected that Mr. Bates would feel called upon to offer some explana-

Committee of the Commons. tion of the extraordinary discrepancy between his evidence and that given by Mr. Melvill.

We accordingly find Mr. Bates stating to the Committee, on the 3d June, in reply to the question, whether he had any observations to make on Mr. Melvill's remarks:

Explanatory evidence of Mr. Bates. "There are some slight errors in my evidence, which, "with the permission of the Committee, I will correct; "and in doing that will make those observations that "occur to me upon the evidence of Mr. Melvill. On "my first examination, my answer to interrogatory "3430 should have been, that the freight was included in "the twenty-five per cent. gross profit, which would leave "from five to ten per cent. net profit, according to the "description of tea composing the cargo. On my second "examination, in answering interrogatory 3989, in "order to save the time of the Committee I gave from "memory the sterling price of a pound of congou tea; "on revising my evidence I found I had committed an "error, which I corrected, giving the true cost of tea at "twenty-nine tale, exchange 3*s.* 11*d.* 14*d.* *a.* 19. From "this I deducted, for fourteen months' interest from the "date to the maturity of the bills, five per cent., or "seventy, leaving the cash cost at Canton 13*d.* *a.* 49. "As to wastage, there can be none on tea. I had sup-"posed interrogatories 3987 and 3988 related to the "difference in net weight here and in China arising from "different allowances, which I was aware varied in diffe-"rent markets. On inquiry I found that the Company's "purchases and sales were by real tare, throwing up to "the buyer the half pounds, and sometimes the odd "pounds, which allowances I thought more than compen-"sated by the gain in weight which is invariable on tea "brought to a moist climate. Mr. Lloyd states the real

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" difference in net weight to be two per cent. He is pro-
" bably right; but I do not think it worth while to disturb
" my figures, as I have overrated the freight very much.
" I had supposed that for so large an amount of tonnage
" many ships must go out in ballast; but Canton forms
" so natural a link in the commercial chain of operations
" with India, that a great portion of the tonnage would
" come from Bengal and Bombay to Canton, and would
" not cost over 2*d.* per lb.; and from experience, since
" my last examination, I am convinced that 2¼*d.* and
" 2½*d.* per lb. is high enough to fix the freight for the
" present time, or any time within three years. Mr. Mel-
" vill states that the exchange is taken at too favourable
" a rate, and that the Company have not been drawn on
" at that rate: he has not stated at what rate the Com-
" pany were drawn on. By the statement of Mr. Lloyd
" it appears that more than 4,000,000 of tales of the
" 6,000,000 required for the year 1828-9 were derived
" from bills on Bengal, and the sale of British manu-
" factures, near 2,000,000 being for bills on Bengal.
" The official valuation prevents my getting at the rate
" of exchange at which these bills were drawn; but I
" have here a Canton Price-current of the 20th of
" February, which gives it at.................. 202
" of March 200
" and of April 202
" If 202 sicca rupees per 100 dollars be taken as the pro-
" bable rate at which the Company negociated their bills,
" the exchange at Calcutta being at 1*s.* 10¾*d.*, the exchange
" in London would have been established at a fraction un-
" der 3*s.* 10*d.* Bills in Calcutta are drawn at thirty days'
" sight from Canton; the interest gained would therefore
" compensate for the expense of passing the operation
" through Bengal. Mr. Melvill states that the Company

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" have sold, in 1829-30, only 27,455,063 lbs. of tea; but " in the general account of imports and exports I find " the quantity of tea retained for consumption, deduct- " ing exports to colonies, &c. in 1828, was 29,305,757, to " this should be added upwards of 200,000 exported to " the colonies, making 29½ millions, which corresponds " with Paper No. 38, signed T. G. Lloyd, by which it " appears that the quantity sold

" In 1826 was	29,409,251	lbs.
" 1827	30,327,166	
" 1828	29,982,080	

" This amount includes the private-trade, which, as now " carried on in teas, is only a branch of the monopoly. " Taking 29½ millions, therefore, as the present consump- " tion of those that are compelled to obtain their supply " through the Company, and the difference between the " price at which I have stated the tea could be sold and " yield a profit, if free, and the Company's sale price, " which is $12\frac{41}{100}$, the total difference for the year 1829-30 " would be £1,492,208. Since my last examination I " have procured from Holland a sample of the tea which " cost 29 tale, and also of that which sold at *3s.* 1½*d.* and " *2s. 7d.* at the last sale of the Company; in my judgment, " the Company's highest priced tea has the preference " in quality, but that which sold at *2s. 7d.* is barely equal " to the sample from Holland. Mr. Melvill states that " the average cost of the Company's congo tea, 1828-9, " was 29 tales and a fraction. The Committee will un- " derstand that he probably speaks in the language of the " India-House, which means that the cost of the tea in " tales, the expenses of the factory, loss on adventures in " cotton, &c. &c. all added together, make that cost; for I " cannot bring myself to believe that the Company's " agents, who are clever men, would have bought congo

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" tea at the prime cost, on the average (in the common " acceptation of the term prime cost), of twenty-nine tales " and a fraction, when the *highest contract price* was " twenty-nine to private traders, and teas of nearly equal " quality were 60·1 at tale eighteen in April, and the " general prices-current quote it from fifteen to twenty " tales, with a heavy stock from December to that time. " I never intended to state that the Company gained the " sum of a million and a half, and can readily believe " what Mr. Melvill states in regard to that.

" At what did the tea, which you state cost twenty- " nine tales, sell in Holland?—In Holland it will not " fetch the cost at present. I beg to state that I have " with me the prices-current to which I have referred.

" Do any other observations occur to you upon Mr. " Melvill's remarks upon your evidence?—I have no " other observations to make."

Mr. Melvill refutes Mr. Bates's misrepresentation.

Mr. Melvill on the 17th June was again questioned as to the statement made by him of the twenty-nine tales *within* 140 decimals; on the 10th May, as the average price of contract congo per pecul.

" You stated that the average cost to the Company in " the year 1828-29 of congo tea, was twenty-nine tales " within one hundred and forty decimals per pecul; but " it appears that in the last evidence given by Mr. Bates, " he states that you had given the average price per pecul " at twenty-nine tales and a fraction. In saying within " one hundred and forty decimals, did you mean below " the twenty-nine tales, because if you meant below the " twenty-nine tales it would appear that Mr. Bates has " misunderstood you: will you explain that?—I am " very glad I have an opportunity of noticing Mr.

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" Bates's last evidence. My only statement upon the " price in China of the Company's contract congo tea, " was in answer to question 4963, in which it will be " seen that I stated the price to be within one hundred " and forty decimals of twenty-nine tales per pecul. Mr. " Bates says, that I stated the average cost of the Com- " pany's congo tea in 1828-29, was twenty-nine tales " *and* a fraction. That is totally different from what " I said, from what I ever meant to say, or from what " I think my words will admit of being construed to " mean. This correction appears to me to be of import- " ance, because Mr. Bates twice repeats his assertion, " and reasons upon it as if it were fact. Mr. Bates " seems also to think that in the twenty-eight tales and " eight hundred and sixty decimals I have included " charges not usually comprised in prime cost; in that " respect also Mr. Bates is mistaken. I only include the " commission on buying the tea, and the charge of ship- " ping it, which I apprehend every merchant would " include in his prime cost. Mr. Bates also still calcu- " lates 2*s*. 7*d*. per pound as the price paid to the Com- " pany for the tea. I must take the liberty of referring " the Committee to the answer which I gave in reply to " question 4363, and repeat, that the average price paid " to the Company for their contract congo tea, in the " sale to which Mr. Bates refers, was not 2*s*. 7*d*. as he " states it, but 2*s*. 4*d*. 312 decimals; and I would refer " to the official returns upon the table of this Committee, " to prove that Mr. Bates has no authority whatever for " assuming the price of 2*s*. 7*d*. as that paid to the Com- " pany. Mr. Bates also speaks, in his estimate of the " Company's contract tea, of the Company's congo tea, " of the Company's winter tea, and of the Company's tea, " as if they were all synonimous, from which a casual

"and uninformed reader might infer that the average "price paid by the Company for the whole of their teas "was twenty-nine tales and a fraction, whereas the "average price paid by the Company for their congo "teas, including the winter teas, was only twenty-five "tales and a fraction."

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Remarks on evidence by Mr. Melvill and Mr. Bates.

It cannot fail, we think, to impress every impartial reader of the evidence given by Mr. Bates on the one side and that of Mr. Melvill on the other, that the former gentleman has, in a manner not the most ingenuous, endeavoured to twist and torture Mr. Melvill's explanations.

Mr. Bates stated on the 10th of May, that 25 per cent. was "what the Company obtained "beyond the fair mercantile profit." He was asked, "Do you mean *including freight and* "*insurance?*"—"*After,*" said he, "*paying* "*freight and insurance.*" Here is no hasty declaration, but a deliberate and decided answer of a mercantile man, well acquainted with the purport of the question, as well as of the answer he was about to give upon the point to which it had particular reference. On the 3d of June, we find Mr. Bates correcting what he called some *slight errors,* one involving the twenty-five per cent. profit just alluded to, and the freight which he had before deliberately excluded, thus virtually reducing the twenty-five per cent. to between five and ten per cent. profit! but still misrepresenting Mr. Melvill's

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evidence on the 10th of May, by stating that he, Mr. Melvill, had said the average cost of the Company's congo tea in 1828-9, was twenty-nine tales, *and* a fraction, whereas what Mr. Melvill stated was *within* 140 decimals of twenty-nine tales! And, as Mr. Melvill very justly observed, the correction appeared to be of more importance, because Mr. Bates twice repeated his assertion, and reasoned upon it as if it were fact;—and only fell into further mis-statements in his attempt to correct his former errors.

We are at a loss to imagine what could be the motives of a witness of the presumed respectability of Mr. Bates, other than a desire to establish the position he originally advanced, that the East-India Company derived an exorbitant and unauthorized profit on tea, involving a breach of the law, under which they exercise their exclusive privilege of trading to China. Which charge has been so clearly and satisfactorily refuted.

Shipping of the Company and rate of freight.

One of the causes which has, in a considerable degree, augmented the price of tea, is the rate of freight at which the East-India Company have been obliged to engage their shipping.

Upon this point Mr. Melvill was asked :

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" Do you think that the Company might conduct " the trade at a lower rate of freight than what appears " to be the freight paid for the East-India Company's " ships ?—The Company take up their ships under the " provisions of an Act of the Legislature. I allude to " the 39th Geo. III. c. 89, the provisions of which were " re-enacted in 1818, in an Act carried through by the " late Mr. Canning, when President of the India Board. " The Act provides, that the Company, in contracting " for ships, shall make it a condition of the contract that " those ships shall be applicable to trade and to warfare. " The Act also requires that the Company shall take up " the ships for a certain number of voyages, and although " that may be an arrangement which, generally speak- " ing, is at least as beneficial to the contractor as to the " Company, yet when it happens, as it has done to the " Company, that contracts have been entered into in " periods of high prices, followed by periods of unusually " low prices, it is quite clear that the Company's shipping " system must suffer in comparison with that of the " private merchant; that is the case at present. The " existing contracts for the ships now in the service were " most of them entered into six and seven years ago. " That the Company can engage ships, if they act solely " as merchants, as cheaply as individuals, is evinced in " the fact that when, under the authority which that " Act gives them, they have taken up ships for only one " voyage, they have got them quite as cheap as a mer- " chant could. The difference in the rate of freight " between the average period, when the Company made " the contracts for large ships now in the service, and " the present time, cannot be less than 18 or 20 per " cent.

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" Do you mean to state that if it were not for the
" contract the East-India Company would freight to
" India as cheap as a private trader ?—If the Company
" were unfettered by law, and were not compelled to
" make their ships applicable to political services, I have
" no doubt that they would engage them upon as good
" terms as individuals.

" When it has happened that there has been a great
" rise in price instead of a depression, did they make an
" allowance to the contractors ?—That was done by a
" special Act of Parliament ; and I believe the late Mr.
" Canning, who carried that bill through, took occasion
" distinctly to guard against its being construed into any
" thing like a precedent."

There can be no doubt that had the Company been unfettered by the legislative provisions under which they have been constrained to act, they would have necessarily supplied the tea at a less cost to the public.

It would be needlessly extending these pages to enter at any length into the shipping system of the East-India Company, which is not without its advantages, however it may appear objectionable on a mere superficial view of the question. We shall content ourselves with the following extract from a useful work relating to the Company,* in which we find the question touched upon at considerable length :

" The class of ships, and the system under

* Auber's Analysis of the Constitution of the East-India Company.

" which they have been maintained for the " service of the East-India Company, has " presented a resource in times of emergency " which has proved of most essential impor- " tance to the national welfare. In the early " part of 1795, Mr. Dundas addressed a letter " to the Court of Directors, signifying that, in " the then exigency of affairs, a great and " immediate addition to the naval strength of " the kingdom was of infinite importance; " that such consideration led his Majesty's " servants to turn their attention to the large " ships in the service of the East-India Com- " pany, which from their size and construc- " tion could be speedily converted into very " useful ships of war; also enclosing the copy " of a resolution of the ship-owners (to whom " Mr. Dundas had addressed a letter,) stating " that they could not treat with Government " but through the Court of Directors, as the " ships actually belonged to the Company. Shipping.

" The Court of Directors immediately re- " solved to exonerate the owners from their " engagements, at the same time giving leave " for other ships of the same dimensions to be " built on the bottoms of those taken by Go- " vernment, thus keeping up the size and class " of such ships. Six of the large ships then " afloat were surveyed and accepted. Sir

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" Andrew S. Hammond, the Comptroller of " the Navy, intimated to the Court, that as " no alteration was intended in the masts and " yards of those ships, they would be soon " ready for the service of the state. Eight " other ships, which were then building for " the Company, were also assigned over to " Government, making an addition to the " naval force of the country of fourteen large " ships. To render the same effective with " the least burthen to the state, the General " Court, on the 13th March, unanimously " resolved to authorize and empower the Court " of Directors to raise three thousand men for " the service of his Majesty's navy, at the cost " and charge of the Company. The expen- " diture on that account was £57,000. Again, " in the month of July in the same year, Mr. " Dundas represented to the Court of Directors " that a very considerable quantity of tonnage " would be wanted by Government early in " September, for a special service, to the exe- " cution of which the Indiamen were peculiarly " well adapted, and that it would therefore be " of the utmost consequence to his Majesty's " service to know whether the Company's " ships could be made available to carry " troops from Great Britain, Ireland, and from " Gibraltar, to the West-Indies. The Court

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" made arrangements the same day, whereby " fourteen ships were made applicable to the " service in question.

" In September 1803, the East-India Com- " pany unanimously resolved, in order to " contribute towards the aid of the state, to " authorize the Court of Directors to engage " for six months, and to charter for the use of " Government, 10,000 tons of shipping: the " expense incurred by the Company on that " account was £67,000.

" The expediency of maintaining vessels of " the size, and found in the manner of those " employed by the East-India Company, has " been supported on the grounds, that it is " essential that the Company should at all " times have a fleet of ships at their command; " that on their outward voyage, they are " employed in the transport of troops and " stores to a very large extent, and are pecu- " liarly fitted to bring home, at the least ex- " pense, the valuable return cargoes from " China. The Company's ships partake of a " political as well as a commercial character; " on sudden emergencies, both in India and " Europe, they have been found of the most " important aid in promoting the welfare of " the state; in time of war, although greatly " distressed by the impress of men by his

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" Majesty's navy in India (repeated repre-
" sentations having proved ineffectual to check
" that practice), and that at periods when the
" naval force of the country could ill afford
" convoy for such valuable fleets, Indiamen
" sailing in company, and commanded by
" officers of known character and qualifica-
" tions, have defeated the attempts of the
" enemy to surprise and capture them, in one
" memorable instance* beating off a first-rate
" French ship of eighty guns under Admiral
" Linoïs, accompanied by two heavy frigates,
" a corvette, and a brig."

It is proved beyond all doubt, that the East-India Company can hire ships at lower rates of freight, and in any future arrangement it would tend materially to reduce the charge on tea.

Situation of the East-India Company.

We proceed briefly to notice the situation in which the East-India Company stand with reference to the enquiry,

Nearly two centuries and a half have elapsed since the Company first established a commercial intercourse with India. Unawed by the difficulties which they have had to encounter, and surmounting by indefatigable perseverance, embarrassments which on various occasions threatened their very existence, they have pre-

* In 1804, the Company's China fleet under Sir N. Dance, near Malacca.

served the trade to this country, amidst the great and important changes that have taken place within that eventful period. Situation of the East-India Company.

In the prosecution of that trade the Company laid the foundation of that immense empire in the East, which has been described by our statesmen as one of the brightest jewels in the British crown.

It has been made apparent that the Company, in their commercial capacity, have realized, since 1765, those pecuniary means, by which they have been enabled to maintain the character of sovereigns, without drawing on the British public in any direct way for permanent financial aid in administering the government of India.

From 1765 to 1814, the Company's demand on the territory amounts, as has been already shewn, to £12,044,934, and forms a distinct claim, whenever the period may arrive that a settlement with the public shall take place.

Since 1814, at which time the Company's transactions were separated under the two heads of territory and commerce, the gross receipts and disbursements appear by the evidence to have amounted to the sum of £478,103,911. Within the same period the state has received a revenue from tea duties of £57,125,882, at a charge of only £10,000 per annum.

India has also received aid from the surplus commercial profits of the Company, and in the

Situation of the East-India Company.

rates of exchange as fixed by the Board, of £12,110,198; besides which there is still due £3,184,000 from territory to commerce, exclusive of interest; making a total of £15,294,198 since 1814; within which period the Company have received a dividend at the rate of 3½ per cent. upon their capital actually employed in the joint concern of territory and trade.

For this dividend, and the patronage of the original appointment of writers, cadets, and assistant-surgeons, the East-India Company have administered, through their executive body the Court of Directors, the foreign and domestic affairs connected with the existing India system, subject, in matters of civil and military government and revenues, to the control of the Board of Commissioners.

We apprehend that the nature and extent of the duties arising out of this trust, far exceed any notion that may have been formed of them by a mere casual observer.

Supposed separation of trade and government.

If it shall be determined to separate the government from the trade, we can scarcely persuade ourselves that the East-India Company will be prepared, under every prudential consideration, to continue the political trust, at the risk of their capital and character, after it has been so clearly demonstrated in the course of the enquiry, that one million annually beyond the ordinary receipts must be secured in this

country, to enable them to discharge, under the most economical arrangement consistently with efficiency, the government of India.

Supposed separation of trade and government.

That sum is now derived, in a great measure, from the China trade. If that trade be laid open, the sum above-mentioned must be secured out of the public purse, or, as it appears to us, the Company must withdraw from the discharge of those duties which they now perform through the Court of Directors, and the country must be prepared to adjust those immense claims which, so long as the means are secured to the Company of acting politically without detriment to their commercial capital, are left in abeyance, and made subservient to the common benefit. We will suppose for a moment that the onerous task of administering the government of India, with all its various details, be thrown on his Majesty's ministers. We have seen how the business of the country was impeded, perhaps unavoidably, but nevertheless to a very serious degree, in the last session, from the multiplicity of matter brought under discussion: so much so, as to call forth a remark, that Parliament must sit throughout the greater part of the year to get through the whole of the questions, to the great injury of the public service: and we would ask those who are at all conversant with the vast and important details now discharged by the

Supposed separation of trade and government.

Court of Directors under Ministerial control, and subject to the minutest investigation, and open also to discussion in the General Court of Proprietors, with accounts laid periodically before Parliament, what would be the effect of this additional labour to the already too much occupied time of the House, embracing all the details of the India system, without, we confess, any apparent redeeming benefit accruing therefrom to the country!

Nor is the important question of the Public Revenue, so intimately interwoven with the existing system, to be entirely passed over. We remember the discussion on the Sugar question in the last session. The difficulties of the proposed graduated scale of duties were pointedly placed before the House, and other remarks were at the same time made, which proved that the framing a scheme, with which the public would be satisfied and the revenue at the same time secured, was a task of no easy accomplishment.

The duty on tea, as already stated, amounting to £3,808,392 annually, is paid by the Company to the Crown at a cost to the public of only £10,000 a year. This duty arises out of rates varying according to the several sorts of tea, which are very numerous.

If any one was allowed to trade in tea, which would necessarily be the case if such trade is

thrown open, we do not see how, or in what way, the revenue would be secured to anything like the present extent: and we have the evidence of Mr. Layton, an eminent tea-broker, that teas are mixed after the chests leave London, that a considerable adulteration takes place, "and that he could no more point out the portion of the different qualities of mixed teas, "than he could tell, as to a pipe of wine, whether it was all of the right kind. He could "tell whether it was good if he tasted it."

Supposed separation of trade and government.

The Company's ships are under such perfect control, as to the safety of the cargo, and not breaking bulk on their voyage, that the tea arrives in the same state as when laden at Canton. It is brought into warehouses set apart for the purpose, and is immediately placed under the keys of His Majesty's customs, and is put up to sale in the same state and chests in which it was packed in China, and upon which the immense revenue is now drawn.

In the event of an open trade, what is to prevent a ship laden with teas of various qualities and prices, unshipping part or the whole of her cargo at any intermediate port, there mixing and repacking the tea, with the view of evading the higher duty, and thus defrauding Government to a very considerable amount: a circumstance extremely undesirable in the present falling off in our exciseable articles of revenue.

Supposed separation of trade and government.

We have thrown out these observations more as matter worthy the attention of His Majesty's Ministers than of the East-India Company, who would, in truth, have little reason to deplore the division of that capital, to which they have as indisputable a right, as any gentleman to his freehold, or merchant to his bale of goods, for which he has paid the price in the market. The East-India Company have also territorial acquisitions and rights yielding a large annual revenue in the respective Presidencies in India, wholly free and distinct from those to which the Crown lays claim, and which if retained by the Company might materially aid the commercial enterprizes they still prosecute, to the detriment of the private merchant.

We would ask, have the merchants engaged in the *India* trade, since it was opened, found it answer their expectations? Have they realized the prime cost of their exports, and have they been enabled to secure a profitable return? Have the Petitioners for a free trade with China, and the abolition of the Company's exclusive privilege in that of tea, made out any thing of a case, to induce the country to put to hazard the positive advantages derived under the present system, for the possible benefits expected to result from the adoption of untried experiments, and overdrawn pictures, of visionary theorists? We may confidently answer that they have not

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made out their case, if such case be bottomed on the evidence brought forward by the advocates themselves for a free and open trade in tea.

Supposed separation of trade and government.

If, notwithstanding this failure of proof as to the wisdom and policy of such a measure, such a concession shall be determined upon, we predict, in the words of Mr. Davidson, whose evidence will be found in the preceding part of these pages, that the British trade at Canton would not last two seasons, without the most violent and serious interruption, Many individuals would be thereby ruined, and the country would be unable to reinstate their commercial intercourse with China without incurring a vast cost.

Opponents of the East-In Company.

We have, in common with many who have devoted their time and attention to subjects connected with India, long felt, that the most formidable opponents the East-India Company have to contend with are, Ignorance and Misrepresentation.

Mr. Brough

It is with unfeigned regret, that we number among them the learned and lately elected Member for Yorkshire. We have followed that learned gentleman through his political career, from his entrance into parliament as an appendage of the Whig Aristocracy. Were we to refer to the period of his becoming the adherent of

[M]r. Brougham. Mr. Canning, after he had charged that highly-gifted man with having been guilty of the grossest political tergiversation, and to whose bold rebuke he silently submitted, rather than risk his character for discretion;—were we to animadvert upon the circumstance of the learned gentleman coming down to the house flushed with the hospitable cheer of one of his noble patrons, and declaiming in terms of the coarsest invective against his Majesty's Ministers and their supporters, and then silently permitting the Right Honourable Baronet to make that apology for him which he had neither the good taste or good feelings to offer for himself;—were we to allude to the call made upon the learned gentleman at the close of the late election, by his unsuccessful opponent, and the assurance with which he answered the call, that he had drunk so deep of Lethe's stream, as to have forgotten all that he had uttered on the hustings, we might incur the charge of having entered upon matter foreign to the subject upon which we had ventured to submit the foregoing considerations. But when we find the learned gentleman, on the day of his being proposed as a candidate for the honour since conferred upon him, attempting to support his pretensions to that honour by advancing statements wholly at variance with facts, and in a place where the parties whom he attacked had no opportunity of defending them-

selves, it is important that such a course of misrepresentation should be exposed. In order that the learned gentleman may not have the plea of ignorance, we insert the following extract from the Leeds Mercury of the 7th August, which gives at full length the speech made by Mr. Brougham on the 5th of that month. The Editor, who appears to be one of the ardent admirers of the learned gentleman, makes the following remarks in alluding to that speech: Mr. Broguha

"Yorkshire has discharged the debt due by Eng-
"land to this champion of right and liberty, this illus-
"trious friend of knowledge and humanity. Mr. Brough-
"am's speech on Thursday was splendid, and in some
"passages there was a power and grandeur which pro-
"duced the most thrilling effect on his audience."

"When I saw (said Mr. Brougham), in my visit
"to the West Riding, thousands of industrious and
"skilful men, and at the same time I saw ware-
"houses after warehouses filled with the produce
"of their industry and skill, could I but be in-
"dignant that the markets of the East were closed
"against them, whence might come so much wealth to
"them, and to which so much by them might be ex-
"ported; and when I asked myself for whose benefit it
"was that the industrious artizans of Leeds, and those
"of Huddersfield, who are receiving less than one-third
"of their ordinary wages, were excluded from markets
"of such promise, I first asked myself, is it for the
"benefit of the land-owners? for if it were, it would
"be some consolation that they were benefited by it.
"I then asked, is it for the other trades of the country?

Ir. Brougham's speech ; his election.

" for it would be some satisfaction, that what the industrious classes of Yorkshire lost, others of our own countrymen gained. But nothing of the sort—it was to benefit four-and-twenty East-India Directors, the ready tools of every government, the obsequious voters in support of all administrations; men who are ready upon any given day, up to half past two o'clock in the morning, to vote with any government in favour of what they may deem the Constitution in Church and State,—men who will hark away down to hear a king's speech, expecting to bawl "No Popery" till their voices were cracked, and they themselves black in the face; and then, when to their astonishment, the King's speech calls out—an end to Proscription—Catholic Emancipation—Civil and Religious Liberty for ever—swift they wheel about with the same alacrity as they came to bawl forth their senseless cry of 'No Popery.' Yes, with the same voice, and with the same throats, and almost on the same day, they bawl lustily for that measure for which we have been placed under their anathemas ever since Lord Milton broke the chains of this county in the castle-yard twenty-one years ago. And if by chance any one of these twenty-four Directors, following in the career—for as fine writing has been described as right words in right places, so right politics may be described as right votes in right places—if, I say, any one of these four-and-twenty gentlemen, after sitting for much borough, and voting for much job, and for building much palace, and for sending out much ambassador, and for triumphing over much liberty, should be found, not in the Commons House of Parliament, but among the

"Peers of the realm, the hereditary counsellors of the "crown."

Mr. Brougham and the manufacturers of Yorkshire.

We have given this extract unbroken, in order that our readers may see the bearing and tendency of the whole, and appreciate the good taste with which Mr. Brougham so unsparingly dealt out his denunciations against the members of the Court of Directors who had seats in Parliament.

Had the learned gentleman availed himself of the means within his reach, he would have found ample cause for that satisfaction which he states he should have derived from knowing that what the "industrious classes of Yorkshire lost, others "of our own countrymen had gained."

We will now put the learned gentleman's sincerity to the test. It appears that on the 9th March, Mr. Dixon, a foreign commission agent residing at Leeds, was examined before the Committee, for the purpose of shewing that the system under which the East-India Company bought cloths for exportation was objectionable in point of economy, and injurious to the manufacturers.

"Will you state in what mode the East-India Com-"pany make their purchases of cloth?—Always by "tender and contract.

"Do you consider that to be an advantageous mode "of dealing?—No, I do not. In consequence of the "objectionable clauses which are in those contracts, the "parties tendering for the cloth, in order to save them-

Mr. Brougham and the manufacturers of Yorkshire.

" selves, must make an addition to the price, in order " to cover the rejections which they are subject to, and " other inconveniences and expenses which they are at.

" Is the decision of the overlooker of the Company " upon the goods which are sent up final, or is there " any appeal from it?—There is no appeal whatever " from it.

" In the rejection of their cloths you stated that the " overlooker's decision was final; is that decision often " made on trifling grounds?—I have understood that the " overlookers have strict orders to attend to the contract, " which states, in speaking of the fine cloths, that each " cloth must weigh thirty-two pounds, and that if it is " under that weight he has a power of rejecting it.

" Then, though the rejection must be according to " the strict letter of the contract, it still may be on " very vexatious grounds to the manufacturer?—Cer- " tainly.

" Is it the case to such a degree, that manufacturers " generally exhibit a decided preference for dealing with " any other customer rather than the East-India Com- " pany?—It is. A great many of the most extensive " manufacturers in Yorkshire will not enter into con- " tracts with the East-India Company, nor supply them " with cloth under those contracts.

" You consider this, then, to be a vexatious ground " of rejection on the part of the Company?—Certainly.

" Yet to this sort of rejection their overlookers are " tied down by their rules, and they can exercise no " discretion?—I believe not."

To this evidence of Mr. Dixon of Yorkshire, we shall oppose that of Mr. Walford.

" Are the conditions of contract imposed by the Com-

Mr. Brougham and the manufacturers.

"pany so vexatious as to raise the price?—I never con- "sidered them vexatious; I always considered them as "necessary to preserve the quality of the goods they "exported.

"Did you ever experience any inconvenience from "having cloths that you had furnished to the Company "rejected?—I have had them rejected.

"Do they not often reject them for being a little "lighter?—They do.

"Is not it very difficult to act up to the exact letter "of the Company's contract in a large order?—Not "at all.

"In cases where goods have been returned to you by "the East-India Company, on what terms have you "been able to part with them?—It depended entirely "upon how inferior they were to the standard they "ought to have been; it varies from five to ten per "cent.; perhaps not more than ten per cent.

"Are the conditions imposed by the Company, upon "a preparation of those goods under the contracts, such "as to render the manufacture of them much more diffi- "cult than for a private merchant?—I should think "not; I have known one manufacturer have 10,000 long "ells looked over or inspected, and not more than four "or five pieces rejected.

"Was there any difference between the tenders you "made to private merchants and those to the Company, "in point of price?—There was no material difference. "We would rather sell to the Company, and perhaps "would sell cheaper to them than to private merchants, "because we were more secure of our money; and be- "cause at a private merchant's, where credit is given, I "charge two and a half per cent. for a guarantee.

"Then the conditions imposed by the Company, you

Mr. Brougham and the manufacturers.

" conceive, have no effect in raising the price of the ma-" nufactures?—I never heard them complained of, till " within these four or five years.

" Have the Company been endeavouring to supply " themselves from Yorkshire within your knowledge?— " I have known them make two experiments in pur-" chasing long ells in Yorkshire; one year they con-" tracted for 20,000 pieces, and I believe, they did not " find the contract completed."

We find this evidence of Mr. Walford corroborated by that of Mr. William Ireland, a partner in the respectable firm of William Ireland and Co., carrying on business in London and in Gloucestershire.

" What is the mode of supplying the East-India " Company?—By contract.

" Is it under contract offered to your house only, or " to the public?—To all the respectable manufacturers " either in Yorkshire or Gloucestershire. I have a cir-" cular which I received from the Company for a con-" tract, inviting tenders from all the manufacturers.— " [*The witness produced the same.*]

" Is it sent to all the respectable manufacturers?—I " never knew it refused to any respectable manufacturer " who made an application for it.

" How long have you been in the habit of supplying " cloths to the Company?—Eleven years in my own " firm: but I was seven years with Messrs. Fryer and " Telford.

" In this circular are there any clauses more or less " objectionable in your opinion?—I do not apprehend " there are; at least I have not had any complaint from " my connections respecting the clauses.

" Particularly with reference to the 3d, 5th, 7th, 8th, " and 11th; do you apprehend they are essential to pro- " tect the Company from being imposed upon, and put " to great inconvenience?—I think they are; the third " clause respects the weight and length of the cloth.

Mr. Brougham and the manufacturers.

" All of which is ascertained by overlookers appointed " by the Company?—It is.

" Do you consider that they are judges of cloth?—I " consider them very good judges of cloth.

" Do they ever reject without proper cause, in your " opinion?—I think there is frequently cause for a great " many more rejections than there are.

" In the event of a trifling difference in quality being " found, is it the practice of the Company to take it, " giving the turn to the manufacturer?—It has been " the practice with me and my connexions.

" In the event of any cloths being rejected by the " Company, how have you disposed of them?—I think " the first serious objections were in 1819 and 1820; " they were Spanish stripes; and I disposed of them to " Mr. Henry Hughes, who afterwards disposed of them " to Mr. Everett for shipping through the Americans to " China.

" Were they inferior in quality?—They were inferior " in quality; and we sold them at a considerable loss.

" At what loss?—The contract price of the Com- " pany at that time was £13. 15*s.* per piece; and I " sold the rejected cloths to Mr. Everett and Mr. " Hughes at that period at £11. 14*s.*, which was " £2. 1*s.* per piece loss upon them.

" Is not the mode of payment by the Company in " ready money at a certain time after delivery?—We " consider the Company's payment preferable to any

Mr. Brougham and the manufacturers.

" other, because we can calculate to an hour on getting " the money, provided we fulfil our part of the contract.

" Do you find that those contracts in any way give " you more trouble in selling to the Company than in " selling to individuals ?—I do not; in fact, I had a very " recent instance to the contrary, by the last fleet that " went out to China; I had a great deal more difficulty " in supplying 200 ends of cloth to an individual that " shipped them for one of the captains, than I ever " had with the Company.

" Do you know whether the Company have increased " or decreased their orders of late ?—When I first com- " menced the business in 1819, the Company shipped " 7,000 pieces, which is 14,000 ends; they used to buy " them at that period in whole cloths, now they buy " them in ends; they have increased their purchase of " Spanish striped cloths to 24,000 ends; they first " increased about the year 1824 to 10,000 pieces, and " since that period they have increased to 12,000 pieces. " There was also an increase of the supers at that period; " there were 2,000 pieces of supers contracted for; there " are now 3,000 contracted for, which go to China.

" All those articles have been supplied from Glouces- " tershire ?—The greater part of those articles were " supplied from Gloucestershire; some few from the " Yorkshire manufactories, but very few.

" Have you found the Company arbitrary in their " dealings with you ?—I have had no reason to complain " of the Company. I find them just in their dealings; " and I am satisfied that if we had not the restrictions in " the circulars we have, the Company would be very " much imposed upon.

" What restrictions do you mean ?—I mean with " respect to weight and length.

" Is it your opinion, that the Company buy under an " open competition at the lowest possible price ?—I am " satisfied of it. I have been cut out of supplying " many hundred pieces of 34 yards, by 1*d.* or 2*d.* per " piece of cloth." Mr. Brough and the manufacture

We think this evidence is conclusive against the complaints preferred by Mr. Dixon, as to the mode of purchasing, and restrictions imposed by the East-India Company on the weight and goodness of the article.

The next point is that of dyeing the cloths; and here we perceive that the Gloucestershire manufacturers are able to surpass those of Yorkshire.

" Do you know whether they can dye as cheap in " Gloucestershire as they can in Yorkshire?—I think " quite as cheap, because the Yorkshire people com-" peted with us, and we have beaten them out of the " market. The last contract they did not get a single " yard of it; and one of the principal Yorkshire con-" tractors, whom I met this morning, told me that he " should not compete at all the next contract.

" Will you look at the statement given by Mr. Dixon, " of the Yorkshire prices, and make any observations " which occur to you respecting it?—In the first place, " I observe that the first colour mentioned here is higher " by 9*s.* a piece than the Gloucestershire price. For " the black also; we pay 6*s.* a piece for dyeing blacks, " and I see the Yorkshire price is 11*s.* 4*d.*

" Are you aware of the fact that the woollen trade is " to a certain degree leaving Gloucestershire, and going " to Yorkshire?—Some of the fine trade is, but a portion

Mr. Brougham and the manufacturers.

"of it has come back again. With respect to the "scarlet, the Gloucestershire price is 37*s*., and I find "that the Yorkshire price is 48*s*. 2*d*.

"Will you prepare a statement of the Gloucestershire "prices of dyeing, for the information of the Committee, "similar to that furnished by Mr. Dixon of the Yorkshire "prices?—I will."

From the statement which was given in, it appears that the cost of dyeing one hundred Spanish striped cloths in Gloucestershire was £139, whilst in Yorkshire the cost was £157. 16*s*. 2*d*, making a difference, in point of economy, in favor of Gloucestershire of £18. 16*s*. 2*d*.

We trust that sufficient cause has been afforded to the learned gentleman, to yield him that satisfaction which he declared he should experience from finding that "other of our "industrious countrymen had gained, although "those of Yorkshire should have lost."

That satisfaction, we hope, will be increased by the following additional evidence of Mr. Ireland.

"Has not this increase of the Company's exports "been very beneficial to the labouring classes and the "manufacturers?—I can only speak as to my own "district. Had it not been for the Company's trade "last winter, I am perfectly satisfied that some hundreds "of our people must have starved, for the poor's-rate "would not have supported them at all. I am speak- "ing of the parish of Bisley.

How little the learned gentleman really knew of the facts connected with the subject upon which he declaimed with so much confidence and assurance!

Mr. Brougham and the manufacturers.

We predict that experience will satisfy the manufacturers of Yorkshire that they have derived greater benefit from the East-India Company than they will ever experience from the declamatory harangues of their new representative.

Mr. Brougham's charges against the Directors.

The next point in the learned gentleman's speech is that in which he states the exclusion of the manufactures of Yorkshire was "to "benefit the four-and-twenty Directors, the "ready tools of every government—"

We put it to the learned gentleman, whether with all his ingenuity (and it is no small portion that he possesses) he can shew that the Directors of the East-India Company, either individually or collectively, derived, or could derive, the smallest benefit by rejecting the work of the incompetent or extravagant manufacturers of Yorkshire, in order to accept the more moderate and equally good, if not superior, manufactures of Gloucestershire?

If it be meant by the learned gentleman that the trade of the East is generally shut against the manufacturers of Yorkshire to benefit the Directors, we then tell him that it is no such

Mr. Brougham's charges against the Directors.

thing. The whole of India is open to them; and if China is still partially closed, it is because the Chinese do not see fit to suffer themselves to be inundated with the manufactures of England to the detriment of their own, as is the case with the poor natives of India; which, as has been justly observed, is the worst used country on earth, as respects the prohibitory duties levied upon the importation of her native produce into the ports of the united kingdom.

If the learned gentleman alludes to the patronage of the Directors, we will tell him that they are as much entitled to that only reward for their labour and services, as the learned gentleman is to the fee which he receives for the legal advice and opinion he may bestow upon the cause of his client.

As to the Directors voting for, and being the ready tools of every government, has the learned gentleman forgotten the memorable chastisement which his Whig predecessor, Mr. Fox, received in the rejection of his celebrated India Bill, on which occasion the Directors came forward, and opposed by every means in their power the Minister and his measure, which had for its object the despoiling the Company of their rights and privileges? If the Directors have not opposed as a body any subsequent Minister, it may most probably be attributed to the circum-

stance of the country having been spared the infliction of a Whig Administration.

Mr. Brougham's charges against the Directors.

With regard to the Catholic Question, so far from the twenty-four Directors having, to use the learned gentleman's elegant phrase, "harked "away and bawled 'no popery!' at the bid-"ding of the Minister," only nine out of the twenty-four Directors were members; and of those, five voted, as they always had voted, against the claims of the Catholics, whilst the four supported the concession, as they had done, with only one exception, on every previous debate upon the subject. So much for the accuracy of the learned gentleman's statement on the three points in his speech!

We next come to the charge brought against the Directors, of sitting for Much-borough, voting for Much-embassy, &c. Out of the nine members who sat in the last Parliament, only one represented what might be termed a close-borough, the other gentlemen sitting either for counties or open-boroughs.

Was it for the learned gentleman, who from his first entrance into Parliament to the period when he uttered the speech to which we now advert, was the political dependant of a noble patron, for one of whose "Much-borough" he sat from Parliament to Parliament, to taunt the Directors of the East-India Company with sitting for Much-borough. Was it for that

Mr. Brougham's charges against the Directors.

learned gentleman to charge the Directors with having voted for "Much-ambassador," when he himself had become the obsequious abettor of Mr. Canning, who had been so notable a part and portion of this "Much-ambassador" to the court of Lisbon, in support of which memorable mission we find the name of Lord Milton, the learned gentleman's predecessor in representing Yorkshire, and whose conduct he so highly eulogized in the speech upon which we are now remarking? And in order to complete the picture which his imagination had sketched, the learned gentleman elevates the Director to the peerage in reward for the base and servile part he had hitherto acted.

We ask him to point out one Director who has had that honour conferred upon him, throughout the existence of the present United Company.

The learned gentleman appears to have uttered, without the shadow of foundation or authority, a series of charges and imputations against a set of gentlemen, who we undertake to assert are as honourable in point of character, and as independent in point of principle,—we will not say as the learned member himself, for it would be no complimentary comparison,—but as any gentleman who has the honour of a seat in the Legislature.

The following passage from a popular author,

in allusion to some speeches in parliament, is so much in point with reference to the proceedings we have been noticing, that we cannot refrain from quoting it: "When I observe "what passes for wit and what for wisdom, "what fallacies pass undetected, what absur- "dities are advanced, and listened to and "applauded, what confident mistatements are "hazarded in the fearlessness of ignorance "and dupery, what falsehoods are asserted in "the hardihood of design, I cannot but think "there is no place in which a demagogue well "armed with impudence, would feel more "conscious of the strength which audacity "supplies, nor where he could be so mis- "chievous and dangerous."

It would be well were the speeches of such demagogues confined to the House of Commons. We might hope that the house would impose its authority to check a repetition of such mischievous harangues, or at least to neutralize their effects, which it is impossible to do when addressed to the heated imagination of an electioneering multitude.

The learned gentleman, not content with attacking at the election the Directors of the East-India Company, in which attack he has so lamentably failed, attempted to fasten upon the Duke of Wellington the imputation of having counte-

nanced the proceedings of the late French Ministry, which led to the abdication of the bigotted but unfortunate monarch Charles the Tenth. The learned gentleman's new constituents did not respond to this unworthy attack, and we rejoice at it. We know his leviathan powers; we are aware that he leaves no strain of oratory untouched, however wild, which is calculated to impress the people with the belief that he and his associates are alone capable of steering the helm of the state, and carrying the country through the difficulties which the gathering storm in foreign Europe we fear portends.

The learned gentleman has told his friends in Yorkshire, that he has but a small property amongst them, and little any where. We are not disposed to place an undue reliance upon the pretensions which mere wealth, irrespective of other qualifications, gives to public confidence or respect; but where its possession is accompanied by unparalleled service to the state, by a devotion to the interest and welfare of the country, at the sacrifice of all personal ease, after a life of the most arduous and unceasing activity, the most irresistible claims are presented to public gratitude and support; and the country can repose with confidence on the well-intentioned efforts of such

a man, fully assured that he has every tie by which the human heart can be actuated, to pursue with singleness of purpose the welfare and happiness of his fellow citizens, whose interests and prosperity, as well as the honour of his country, he feels to be identified with, and inseparable from his own.

We have such a Minister in the Duke of Wellington; and we trust that the learned gentleman will find his attempt to pluck from his Grace's brows the laurels which he has so nobly won, for the purpose of casting them at the feet of the "schoolmaster now abroad," to be vain and futile. We suggest to Mr. Brougham that he had better rest contented with continuing to be the laudatory usher of so enlightened a preceptor.

We know not what the opinion of the Duke of Wellington, or that of the rest of His Majesty's Ministers, may be on the India Question. Much as we are interested in its settlement (not for the paltry consideration of whether the dividend is to be £5 or £5. 10*s*. per cent., but because we believe the welfare of millions depends upon it), we feel that our first and paramount duty is to our country at home; and we have adverted to this sentiment in connexion with the question of India, because the same spirit which would annihilate, upon such un-

founded and perverted statements, the East-India Company, is at work, and would equally level all distinctions in society, sanctioned, as we are prepared to shew such distinctions are, by the highest of all authority; and would also destroy our happily constructed constitution, for the purpose of raising upon its ruins a system more in accordance with the liberalism of the day, and with that of " a man " whose ears cannot brook the sound of " my Lord," as applied to the hereditary legislators of our highly privileged, and we trust still happy land. We hope that we are not fast approaching the last step in the progress of nations, which having been established by the sword, have subsequently enjoyed the blessing of good laws and rational freedom, but insensible to those advantages, have at last become the victim of popular opinion and revolutionary principles.

It is a just observation, "that the more loudly " that opinion is expresed, with the more rea- " son it ought to be always distrusted; the " more powerful it becomes, the more easily " it is misled, and the more its predominance " and its tyranny are to be dreaded."

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